# AGRICULTURAL FINANCE REVIEW

Vol. 5 November 1942



AN ANNUAL REVIEW OF CURRENT DEVELOPMENTS AND RESEARCH IN THE FIELD OF FARM CREDIT, FARM INSURANCE, AND FARM TAXATION



UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS
WASHINGTON, D.C.

LIST OF AVAILABLE PUBLICATIONS AND REPORTS,
RELATED TO AGRICULTURAL FINANCE

| Title | Series and number | Date issued |
|---|---|---|
| **Printed Bulletins:** | | |
| Agricultural Loans of Commercial Banks | U. S. D. A. Tech. Bul. 521 | 1936 |
| Federal Seed-Loan Financing and Its Relation to Agricultural Rehabilitation and Land Use | " " " 539 | 1936 |
| Demand Deposits of Country Banks | " " " 575 | 1937 |
| Farmer Bankruptcies, 1898-1935 | " " Cir. 414 | 1936 |
| A Graphic Summary of Farm Taxation | " Misc. Pub. 262 | 1937 |
| A Graphic Summary of Agricultural Credit | " " " 268 | 1938 |
| A Suggested Plan for Cotton-Crop Insurance | House Document No. 277, 76th Congress, 1st Session | 1939 |
| Country Banking in Wisconsin During the Depression | U. S. D. A. Tech. Bul. 777 | 1941 |
| Farm-Mortgage Credit Facilities in the United States | " Misc. Pub. 478 | 1942 |
| Financing Production of Food for Freedom | " " " 488 | 1942 |
| State and Local Government Finance in Wartime | The Farmer and the War-No.4 | 1942 |
| **Bulletins Published in Cooperation with Other Bureaus:** | | |
| Fire-Protective Construction on the Farm | U. S. D. A. Farm. Bul. 1590 | 1938 |
| Safe Use and Storage of Gasoline and Kerosene on the Farm | " " " 1678 | 1938 |

Processed Reports and Releases:

| | |
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| An Experimental Analysis of Factors Affecting the Collectibility of Cotton-Production Loans | Oct. 1934 |
| Farm Real Estate Tax Delinquency in Selected Counties, 1928-33 (Individual State Reports) | 1935 |
| Crop Insurance - Excerpts and Selections | Oct. 1936 |
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| Regional Variations in the Sources and in the Tenure Distribution of Farm-Mortgage Credit Outstanding, January 1, 1935 | Feb. 1938 |
| Financing Crop Production on the Eastern Shore of Virginia | Feb. 1938 |
| Farm-Mortgage Recordings, 1917-35 (Individual State Reports) | 1938 |
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| Lender Distribution of Farm-Mortgage Recordings | Nov. 1940 |
| Average Size of Farm-Mortgage Recordings of Selected Lender Groups | Nov. 1940 |
| Agricultural Finance Review, Vol. I, Nos. 1 and 2, Vol. II, Nos. 1 and 2, Vol. III, Nos. 1 and 2, Vol. IV, Nos. 1 and 2 | 1938-41 |
| The Agricultural Situation in Relation to Banking, Vol. I, Nos. 1,2,3, and 4 ... Jan., Apr., July, | Oct. 1941 |
| Agricultural Loans (Individual State Reports) | 1941-42 |
| Farm Property Taxes and Their Relation to Parity Determinations | Nov. 1941 |
| Financing Peanut Production for Oil in Georgia and North Carolina | Mar. 1942 |
| Financing Small Turpentine Gum Farmers | May 1942 |
| Interest Charges Payable on Farm Indebtedness in the United States, 1910-40 | Aug. 1942 |
| The Prevention of Accidents on Farms and in Homes | Sept. 1942 |
| Farm Real Estate Taxes in 1941 and Outlook for the Years Ahead (Also releases for earlier years) | Nov. 1942 |
| Farm Bookkeeping and the Federal Income Tax | Jan. 1943 |

For list of articles in recent issues of the Agricultural Finance Review, see inside of back cover.

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## ERRATA

Page 75, Table 2,-Substitute the following data for the columns headed "Agencies supervised by the Farm Credit Administration":

Corn Belt States

| | Amount 1000 dollars | Index 1937 = 100 |
|---|---|---|
| 1937 | 56,897 | 100.0 |
| 1938 | 59,935 | 105.3 |
| 1939 | 65,274 | 114.7 |
| 1940 | 68,347 | 120.1 |
| 1941 | 74,934 | 131.7 |
| 1942 | 78,003 | 137.1 |

Cotton Growing States

| | | |
|---|---|---|
| 1937 | 68,094 | 100.0 |
| 1938 | 69,386 | 101.9 |
| 1939 | 69,264 | 101.7 |
| 1940 | 73,607 | 108.1 |
| 1941 | 77,284 | 113.5 |
| 1942 | 88,569 | 130.1 |

Range States

| | | |
|---|---|---|
| 1937 | 72,086 | 100.0 |
| 1938 | 71,750 | 99.5 |
| 1939 | 65,949 | 91.5 |
| 1940 | 66,584 | 92.4 |
| 1941 | 64,682 | 89.7 |
| 1942 | 62,812 | 87.1 |

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CHANGE IN PUBLICATION POLICY

THE AGRICULTURAL FINANCE REVIEW WHICH HITHERTO HAD BEEN ISSUED SEMIANNUALLY WILL FOR THE DURATION OF THE WAR BE ISSUED ONLY ONCE EACH YEAR. THE PRECEDING ISSUE OF THIS PUBLICATION WAS DATED NOVEMBER 1941

NEW PUBLICATIONS

Since the release of the last issue of the Agricultural Finance Review, the following publications in the field of agricultural finance have become available:

| | |
|---|---|
| Farm Mortgage Credit Facilities in the United States | M.P. No. 478 |
| State and Local Government Finance in Wartime | The Farmer and the War -- No. 4 |
| Financing Production of Food for Freedom | M.P. No. 488 |
| Farm Bookkeeping and the Federal Income Tax | (Printed) |
| Financing Peanut Production for Oil in Georgia and North Carolina | (Processed) |
| Financing Small Turpentine Gum Farmers | (Processed) |
| Interest Charges Payable on Farm Indebtedness in the United States, 1910-40 | (Processed) |
| The Prevention of Accidents on Farms and in Homes | (Processed) |
| Farm Real Estate Taxes in 1941 and Outlook for the Years Ahead | (Processed) |

Copies of these reports may be obtained from the Bureau of Agricultural Economics upon request.

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# AGRICULTURAL FINANCE REVIEW



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## "FINANCING" AGRICULTURE'S WAR-PRODUCTION PROGRAM

Donald C. Horton 1/

Most of the immediate problems of wartime agricultural production are necessarily physical in nature. They involve using the limited resources and manpower available to agriculture as efficiently as possible to produce on schedule those things most needed to help win the war.

But the physical side of wartime agricultural production must be worked out largely within an existing institutional framework that includes titles to property, contractual obligations, other formal and informal controls over the uses made of our productive resources, and our habitual peacetime ideas on good farming practices. As a major part of this complex institutional pattern had its origin in, and was expected to facilitate, national objectives far different from those that must be emphasized under wartime conditions, it could hardly be expected that all of these existing arrangements would be consistent with immediate war objectives. Regardless of how highly we may prize many of these conventional arrangements from the viewpoint of long-run national objectives, there is little doubt that some of them act in the short run somewhat as "the dead hand of the past" in relation to immediate wartime production objectives.

It would be a mistake, therefore, to view the war-production job in agriculture as entirely a physical problem of farm operations. Existing institutional arrangements, financial as well as nonfinancial, in many cases are as influential in determining the uses made of our productive resources in agriculture as are the physical characteristics of these resources. In attempting to describe the distinctive role of financial policy in connection with agriculture's war-production job, one of the principal tasks is to appraise the contributions that financial measures can make in the adaptation of our peacetime institutional arrangements to the meeting of wartime needs for farm products.

### 1. The Bearing of Financial Policy on Wartime Agricultural Production

As a starting point in an appraisal of the place of wartime financial policy in relation to agriculture under present circumstances, it is necessary to take a somewhat broader view of "finance" than is sometimes

1/ Senior Agricultural Economist.

done. It is difficult to distinguish finance clearly from the other features of our economy that relate to money, but most of us have a fairly clear notion of what we mean by financial transactions. Most of such transactions involve transfers of funds that are not directly associated with a transfer of goods and services. The transfer of control over funds through a financial transaction is usually followed by, and is intended to bring about, a change in the control over goods and services; but in the first instance the one who gives up funds receives in return only such things as a general creditor's claim, a note, a bond, a release from an existing debt, a discharge from tax liability, or some other "paper" compensation.

Financial transactions, whether public or private, thus are essentially "one way" flows of money purchasing power which, in the short run, affect the distribution of immediate claims to goods and services. But in addition to these actual transfers of control over funds, there are many supplementary devices to facilitate and promote such transfers which are sometimes considered to be financial in nature. For example, the assumption of risks by government do not involve an immediate shift of funds from government to others, but such an arrangement often provides the conditions under which private financial operations can be carried on without undue risk to the parties immediately concerned. By carrying a part of the risks the government thus participates in an important phase of such private financial transactions.

If "finance" in wartime is thus viewed broadly as an instrument for helping to place money, and ultimately, physical resources at the disposal of those best able to use them in the war-production job, it is apparent that it includes a wide range of public and private financial transactions and facilitating devices. Some of these transactions and facilitating devices involve arrangements for obtaining or retaining economic control, and others involve arrangements for relinquishment of economic control, over manpower and other resources needed in war production. Thus when viewed separately, the lending of money by public and private agencies and the granting of public subsidies both operate directly to retain or place additional claims to resources in certain hands; and the various measures which absorb financial risks of farmers, or of those that lend money to them, operate indirectly in the same direction. On the other hand, paying additional taxes and increasing the rate of saving in such forms as war bond purchases and debt liquidation involve additional relinquishments of claims to resources. Such financial operations are an established part of our peacetime economy machinery that can be adapted to special wartime jobs not only in the field of public finance but also in that of private finance.

To the extent that the redistribution of money claims through such financial operations results in price changes for certain goods and services, shifts in control over physical resources and manpower are correspondingly modified. A rise in the prices of those things for which the demand is increased by the transfers of funds makes these funds less effective in shifting physical resources than they would be under stable prices. If financial operations are to be most successful in shifting control over resources, it becomes necessary to adopt measures to bring about extensive relinquishment of money claims in those sectors of the economy that tend to compete for the resources most needed for war production.

The results of the operations of the usual financial mechanisms are modified also by various direct authoritative controls such as price fixing, rationing, priorities, and allocations. It is possible for these direct controls either to facilitate or to hamper the operations of the wartime financial program. Likewise, it is possible for the financial program either to facilitate or to hamper the operations of the more direct controls. The goal, of course, should be to merge both the financial and the direct control mechanisms into a harmonious national program designed to reshape the entire production pattern of the Nation along lines required for the war.

Because direct governmental allocation of productive resources has been used much more extensively in the present war than in World War I, some have been led to conclude that finance has been relegated to an unimportant place in the production phases of our present war economy. It is true that our greater reliance on direct public allocation of productive resources in this war has resulted in greater emphasis in the field of financial policy on the use of financial mechanisms merely to facilitate such direct allocation of control over resources. This means correspondingly less emphasis on the more conventional uses of the financial system to shift control over resources indirectly through the usual market processes. But the need to place purchasing power in the hands of those whom we wish to have control over productive resources and manpower, and the need to withdraw purchasing power from others, would give financial policy important functions to perform even in a more rigidly controlled wartime economy than now exists.

The modifications that have been made in the usual peacetime functions performed by finance can be described also in terms of the greatly increased significance of what is sometimes called "coupon money" and the correspondingly reduced significance of "ordinary money." In some kinds of transactions coupon money is necessary to validate the use of ordinary money to buy in the market.2/ Thus the farmer must have permission before he can buy some of the things needed in agricultural production. His ability to obtain control over these resources is determined by his ability to obtain both coupon money and ordinary money. Issuance of the necessary coupon money to him by the government, however, does not necessarily mean that he will be both able and willing to acquire the resources needed to expand or alter his production. Ability to finance his farming operations with ordinary money, and prospects of receiving adequate income in this form, still perform essential functions in a wartime economy.

But with respect to a large part of the resources used in agricultural production, permission to buy even now is not required. For example, the farmer is able to buy many supplies in the usual retail markets. At public auctions livestock, farm equipment, feed, etc. are still distributed according to willingness and ability to buy with ordinary money. Likewise, the farm real estate market is still free from direct governmental restrictions. Allocation of these essentials of agricultural production among different farmers is still carried on largely through the market, and in respect to such resources the financing of agricultural production still operates along lines similar to those followed in peacetime.

2/ The term "coupon money" is used here to refer to all governmental permits to buy goods or services regardless of whether they are evidenced by ration coupons, priority ratings, or some other form of permission.

## 2. The Problem of Guides for Wartime Agricultural Finance Policy

To state in schematic fashion the several functions of finance in wartime is of assistance in visualizing the place of finance in the war effort, but such a statement does not provide public policy guides for the use of particular financial measures under present conditions. Even though we may recognize in a general way that financial measures can be used both to add to and to subtract from the claims that different producers can make on our limited productive resources and manpower, the crucial problem still remains as to how these several measures can best be used to help get the most for the war effort out of the resources and manpower available to agriculture. To answer the question of public policy guides it is necessary to look beyond the mechanisms of agricultural finance to the inherent economic necessities of a wartime agricultural economy. It is necessary to inquire as to what scheme of resource allocation agricultural finance policies should attempt to facilitate.

Although the problem of setting up guides for financial policy in this field is mainly one of wartime agricultural production economics, it is not entirely so. Many believe that agricultural finance policy should attempt to achieve other objectives in addition to, and sometimes in conflict with, the most effective use of agricultural resources to help win the war. But as few would deny that in case of conflict the war-production objectives must take precedence over other desirable objectives, primary attention is given in this paper to the agricultural finance guides that appear to be consistent with this major national goal.

Greater Emphasis Under Wartime Conditions on Short-Run Productive Efficiency: To recognize that in financing agriculture's war-production program it is necessary to emphasize efficiency in agricultural production is an important first step. But this is of only limited help unless "productive efficiency" can be defined in such a way that it has definite meaning in a wartime setting. We want more of certain agricultural products and we want many of them promptly. This means that wartime efficiency in agricultural production must meet the test not only of giving us what we want but also of giving it to us when we want it. It means also that with productive ability limited, we must be prepared to forego the production of certain kinds of agricultural products. Even a very high degree of physical efficiency in the production of things that we do not urgently need in the war, or in the production of things that will be available only in the distant future, is of little immediate help in winning the war.

Thus short-run efficiency in the production on schedule of those agricultural products that are most needed may mean that we shall find it in the national interest to be "inefficient," in a physical sense, in some of our agricultural operations. Even though to continue to use certain land, equipment, and labor in the same way that they have been used in the past may meet the usual tests of physical efficiency, this may still be inefficient from the viewpoint of short-run results. One important function of financial policy in wartime may thus be to facilitate changes in the production programs of farmers that will give more emphasis to a short-run standard of productive efficiency.

Emphasis on Short-Run Efficiency Makes "Sunken Resources" Out of More of Our Agricultural Resources: When it becomes necessary to alter sharply the direction of agricultural production, a much larger proportion of our land, improvements, equipment, and farming skills become somewhat in the nature of "sunken resources." From the point of view of immediate usefulness for war production it is necessary to look upon some of our agricultural plants and farming skills in somewhat the same light that we look upon the existing right-of-way, tracks, bridges, etc. of a railway operating in a partially abandoned area. It is true that some of our specialized productive resources, whether in agriculture or in industry, become much more useful in wartime, whereas others lose a part of their former usefulness. Those that come to have the greatest significance in terms of immediate production objectives must be used most economically if we are to achieve maximum production of the things we need. Others that are equally valuable by long-run standards nevertheless may become relatively plentiful in the short run and may have to be used accordingly if short-run productive efficiency is to dominate our agricultural production program.

Many of the resources that temporarily have become very useful are available for the time being only in limited quantities and thus are very scarce in relation to the greatly increased need for them. From the national viewpoint of efficient wartime production, the uses to which such scarce resources are put must emphasize maximum output of things vitally needed in relation to the amount of scarce resources so used. If an expansion of certain kinds of production is needed, then the goal is to get the expansion at a minimum additional "scarce resource cost." The additional cost of the increased output can perhaps be stated even more realistically as the production of other things needed in the war that must be foregone.

As compared with normal times, therefore, relatively less emphasis can be given in the short run to productive efficiency as measured by our customary standards of physically efficient use of specialized land, farm equipment, and farm labor. The inflexibility of some of these specialized resources in adapting to more important uses may mean that for the time being they will become abundant. "Full employment" of all such temporarily abundant agricultural resources may not be very important from the viewpoint of war production, because failure to use them fully in their specialized field may not retard immediately the volume of urgently needed production. Thus a utilization pattern for such specialized resources and manpower that, by our usual standards, might seem inefficient, might well be very efficient in view of the reduced relative importance of these resources for immediate war production.

Relative Profitability of Production an Imperfect Guide for Wartime Agricultural Finance Policy: In part because the availability and market prices of some productive resources are controlled, and in part because even the prices of those resources that are not controlled directly cannot always reflect their short-run importance for wartime agricultural production, the usual tests as to the prospective profitability of using more labor, fertilizer, land, etc. cannot be relied upon as the sole wartime guide for agricultural finance policy. To a considerable extent our national economy must be operated during the war on the basis of a schedule

of valuations stated largely in terms of physical requirements. We must operate in part by guides that are sometimes designated as "extra market valuations" of productive resources and final products. Even the market prices that are determined immediately by market conditions are often influenced indirectly by general price controls, by allocations of manpower as reflected in the selective service system, by allocations of critical materials, and by many other wartime controls. Moreover, the market values for durable production goods and land, unless controlled, can be expected to reflect longer run post-war income prospects as well as the immediate short-run importance of these resources in war production. This situation may lead either to market overvaluation or to market undervaluation of such resources in terms of their immediate usefulness, depending on the circumstances surrounding particular cases.

These various influences that ultimately are reflected in farm expenses, farm prices, and prospective farm income may undermine the reliability of anticipated profits from farming operations as the basic guide for wartime agricultural financing. It is as if we had packed ice around the thermostat controlling the operations of a heating plant. This is not to say that some of the cost and price relationships do not still provide partial public policy guides for agricultural financing. But additional tests may have to be applied before such a guide can safely be accepted in all cases.

Agricultural Finance in Wartime May Involve More Than Agricultural Credit: In addition to the usual kinds of agricultural credit transactions that help to distribute productive resources among farmers, still other financial devices may be required to secure the most effective use of scarce agricultural resources and manpower. On the one hand, a farmer may be in a position to add to the supply of needed agricultural products at a relatively low cost of scarce resource, but he may not be able to meet the usual requirements for credit. In such cases there may be a place for direct public subsidies, guarantees of production expenses and capital investment, public ownership and leasing of some kinds of farm equipment, or other similar financial arrangements to insure that such farmers will obtain immediate use of the resources needed to produce farm products urgently needed in the war. On the other hand, the mere fact that a farmer can furnish adequate security for a loan may not mean in all cases that he can make the best wartime use of the additional scarce resources and manpower he could control with borrowed funds. To the extent that more and more of the productive resources come to be allocated directly, the farmer in the latter situation presumably would be restricted directly in obtaining scarce resources. But to date only a small part of the resources used in farm production are allocated specifically to certain farmers.

In addition to the above-mentioned arrangements to supplement loans with subsidies and in addition to special arrangements for absorbing risks and for restricting those uses of credit that would lead to uneconomical uses of resources, there is also an important place for measures which will influence the uses made by farmers of their current income and past savings. Since redirection of production rather than over-all expansion is the essence of a wartime economy, withdrawing funds from some is of equal importance along with placing additional funds in the hands of others. Some

farmers probably can help more to win the war by using such funds to buy war bonds and pay debts, and otherwise helping to finance other phases of the war effort than by using them to expand their own farming operations. How farmers should use their wartime income and accumulated savings thus is not an independent question of farm financial management, but rather it is one of several interrelated questions that arise in the general field of wartime agricultural finance policy.

## 3. Some Specific Problems of Wartime Agricultural Finance Policy

The foregoing brief sketch of some of the changes that the war has brought about in the scope and functions of agricultural finance suggest the need to reexamine some of the traditional financial guides that have been followed in the past. Few would go so far as to suggest that all peacetime credit institutions and policies be supplanted by others for the duration of the war. Credit and other financial arrangements are also a part of a peacetime institutional framework that most people expect to function again after the war in somewhat the same way as before. The problem is mainly one of adapting this part of the framework to special needs and of providing supplementary financial arrangements to the end that the agricultural finance program as a whole will satisfactorily perform its wartime functions.

One of the recurring problems in periods of national emergency is whether existing credit institutions should attempt to adapt their own policies to the new conditions, or whether supplementary credit facilities should be set up to perform most of the emergency credit functions. In the past both methods have been followed. Changes in the policies of governmental credit agencies that involve restriction of credit are difficult to make fully effective because a large part of the agricultural credit is furnished by nongovernmental lenders. Moreover, several of the governmental credit agencies operate under legal restrictions that make it difficult for them to adapt their operations to the task of shifting control over resources by measures which reach beyond the usual credit operations.

As in the national emergency in the early 1930's, any extensive use of the financial mechanism to facilitate special wartime allocation of productive resources probably will require special financial facilities that can be liquidated later when the war needs have passed. To the extent that these emergency functions can be associated with special wartime agencies, it will be somewhat easier to treat any special costs incurred in connection with the operation of these agencies as war costs which can be distributed along with the other costs of the war.

Aside from the general problems of providing special wartime agricultural finance facilities, many specific problems impinge directly on the operations of the regular agricultural credit agencies. What attitude, for example, should be taken with regard to variable payment plans and other arrangements to facilitate payment of debts ahead of schedule? To what extent should farmers with debt contracts written on variable payment plans be encouraged to use increased income to finance expanded production of needed agricultural products rather than to pay debts ahead of schedule?

Can any standards be set up to distinguish between those farmers that should place primary emphasis on reduction of their liabilities and those that should be encouraged to use their increased income to increase their investment in physical assets? If it is the interest of the Food for Freedom Program to encourage some farmers to follow the latter policy, what financial safeguards are needed to encourage them to use their income in this way and to prevent such farmers from assuming more than their share of the risks of losses in the post-war readjustment period?

If we could be sure that those farmers who should reduce their debts to avoid possible dangers of post-war financial hardships are also the farmers who cannot make the best temporary use of additional scarce resources in the Food for Freedom Program, then we could safely encourage all farmers with heavy debts to reduce them rapidly out of increased income. Likewise, those in a strong financial position could safely be encouraged to take most of the risks of shifting and expanding production. But in a situation in which the demand for different products is changing sharply, it may be that some farmers who could make a very good wartime use of additional land, capital, or labor happened to come into the war period in a weak financial position. Likewise, some who are well able to take financial risks may not be in a position to make the best use of additional resources and manpower.

Similar problems arise when integration of the national war bond sales program into the financial programs designed to facilitate the Food for Freedom Program is considered. What principles should guide the setting of war bond quotas for individual farmers? Should the objectives of the Food for Freedom Program be reflected in such quotas or should bond quotas be made relatively rigid in relation to farm income and family status, with other financial arrangements designed especially to facilitate the Food for Freedom Program taking care of the agricultural phases of war production? These are partly questions of administrative expediency, and perhaps it makes very little difference which approach is adopted so long as the net effect is to place and retain physical resources in the hands of those farmers who can make the best use of them for the war. That is the ultimate test of the desirability of the policy adopted.

Many problems arise in the use of subsidies to promote needed agricultural production. At what points in the movement of farm products from the farm to the consumer can subsidies be best used? Administrative complications are reduced if such subsidies are given at the processing or wholesale level, because of the smaller number of parties immediately concerned. But blanket subsidies of this kind may not be sufficiently selective to reach the particular farmers most in need of them to cover their costs. Our experience with subsidies has been concerned largely with relief of depression-induced hardships, and only to a limited extent has it been concerned with promotion of short-run productive efficiency. This is one of the most challenging fields of wartime agricultural finance policy.

Still other problems arise when consideration is given to proposals to curb land value speculation and increasing farm indebtedness. To what extent do land value changes reflect changes in the relative importance of

different kinds of land in agricultural production and thus operate in part to promote efficient wartime uses of land? At what point are the benefits of land value changes overbalanced by their disruptive effects? In attempting to restrict the use of mortgage credit to prevent dangers of post-war financial hardships, is there a danger that certain transfers of farms and other transactions that are related to efficient use of land resources will be unduly hampered? Can excessive production debts, which later may become liens against farm real estate, be held in check without hampering the use of credit to distribute resources among farmers?

These and other related problems of agricultural finance will require continuous study so long as adequate production continues to be a serious problem. The answers are not likely to be found in easy generalizations, and provisional answers may have to be revised from time to time. Perhaps one of the main requirements for the development of a sound agricultural finance program in wartime is frank recognition that first things must come first. Putting first things first in agricultural finance programs is much easier said than done, but in this respect agricultural finance does not stand alone.

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Canadian Farm Loan Board in 1941-42.- The Report of the Canadian Farm Loan Board for the year ended March 31, 1942 shows a further reduction in the demand for first- and second-mortgage loans made by this Board. The amount of applications received decreased from 5.8 to 3.8 million dollars; the amount of loans paid out from 2.7 to 2.1 million; only $80,000 of the latter were second mortgages. On the other hand, principal repayments totaled 2.7 million. As a result, the principal amount of loans outstanding decreased for the first time since 1929-30, when the Board began its lending operations; the decrease amounted to $692,000. On March 31, 1942 there were outstanding 21,333 loans on first mortgages totaling 33.7 million and 4,947 loans on second mortgages totaling 1.6 million.1/

Interest payments on first mortgages improved, but those of second mortgages were less favorable. On March 31, 1942 interest arrears on first mortgages amounted to only 1.075 percent of the outstanding principal, but on second mortgages to 8.939 percent (1.389 percent and 6.348 percent respectively at the end of the previous year). The interest charged is 5 percent on first-mortgage loans and 6 percent on second-mortgage loans; the former are made for terms up to 25 years; the latter are repayable in five annual installments.

The funds used in the lending operations of the Board are provided by the Dominion Government. They consist of 5.1 million advances of the Dominion Government (on which 3.5 percent interest is payable), a capital stock of 2.3 million, 0.4 million statutory reserves, and 29.2 million 3.5 percent bonds. During the year 1941-42 bonds totaling $1,000,000 were retired and no new bonds were issued.

1/ The Board also is authorized to make loans to fishermen, but only $24,000 of such loans were outstanding on March 31, 1942.

# WARTIME TAXATION AND THE FARMER

Gerhard J. Isaac 1/

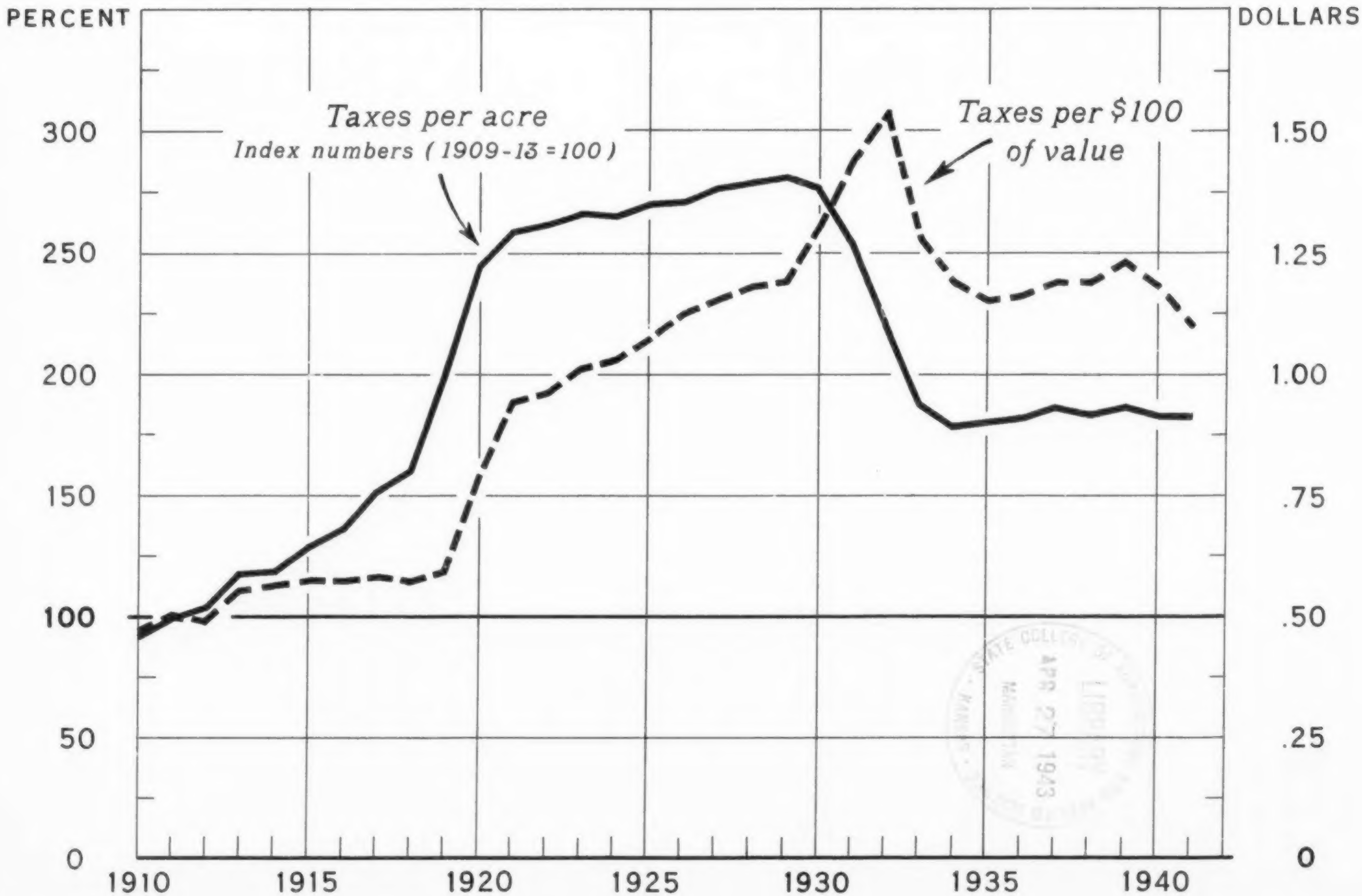
Taxation in time of war is dominated by the tremendous revenue requirements of the Federal Government. But wartime taxation by the Federal Government has more than one function to perform. The most obvious purpose, of course, is to raise revenue. Another, and perhaps more fundamental, objective is to help modify and direct economic forces in the interest of the war effort. Thus Federal fiscal measures affect farmers directly in amounts of taxes paid and indirectly through the diverse interrelationships among all segments of the economy. A general presentation of the implications of Federal fiscal policy for farmers is outside the scope of this paper, which is concerned primarily with taxation at the State and local level. Attention is given, however, to those Federal taxes which directly affect farmers and to certain other fiscal actions that influence taxation on the State and local level.

The farmer's chief direct contact with taxation before World War I was through the property tax levied by State and local governments. Stimulated in part by that war, citizens during subsequent years called upon their State and local governments to undertake a great variety of new functions, and to expand many old functions. The increased revenue needs could not well be met from property taxes and so led to the adoption of many new taxes. The most spectacular example in recent history of a parallel development of services and revenues is the expansion of expenditures for highways and the concurrent spread of gasoline and motor vehicle taxation. The addition of new taxes was also stimulated by the fiscal stresses engendered by the depression years of the 1930's. As a result, the taxes which now touch the farmer are numerous.

Despite the great variety of taxes levied, the property tax is still the most important tax so far as direct payments by farmers are concerned. The great diversification in present taxation, however, has the result of making the property tax less responsive to certain war influences than was the case in the past. Thus tax levies on farm real estate for the country as a whole have not yet responded to the general rise in prices as was the case at a corresponding period in World War I (fig. 1). It should be noted, however, that at the beginning of the earlier war farm real estate taxes had been following an upward trend for more than a decade; a trend which became even more sharply upward during and immediately after that war. By way of contrast, farm real estate taxes have fluctuated between rather narrow limits since 1934. The reasons for this relative stability are numerous, but the one outstanding reason is that State and local governments are using other taxes for important portions of their revenue needs. Furthermore, some of the newer taxes, notably retail sales and gasoline taxes, produced exceptional revenue yields during the last few years because of the greatly stimulated economic activity arising from the armament program.

1/ Agricultural Economist.

# FARM REAL ESTATE TAXES PER ACRE AND PER $100 OF VALUE, UNITED STATES, 1910-41




U. S. DEPARTMENT OF AGRICULTURE NEG. 39891 BUREAU OF AGRICULTURAL ECONOMICS

FIGURE I

State sales tax revenues increased materially during the period immediately before our entrance into the war, as the high level of consumer income influenced retail trade. A large number of consumers apparently used their augmented income for the purchase of goods, often of luxury or semiluxury type, which they previously had been unable to afford. This was reflected in increased collections of retail sales taxes. But evidence is now appearing which suggests that sales tax revenues may have reached a peak. The use of income for the less essential goods is becoming more difficult as the production of many types of civilian goods has been curtailed or stopped and retail inventories are rapidly disappearing. Curtailment has been most pronounced in the durable goods field. As a result, revenues from taxes on the retail sales of new automobiles and accessories, refrigerators, radios, and the like have become almost negligible. As rationing of production or consumption is extended to more and more classes of consumer goods, sales tax revenues may be further restricted.

Gasoline tax revenues have been going through a somewhat similar development during the last few years. In general, the first effect of the greater business activity was to stimulate the use of gasoline. As a result, gasoline tax revenues continued their long-time upward trend and in 1941 reached the highest point in history. But with the introduction of restrictions on automobile and tire replacements over the entire country and gasoline rationing in the northeast, gasoline tax revenues began to fall off. With Nation-wide gasoline rationing in effect, revenues will fall still further. Also affected, but to a lesser extent, will be revenues from automobile registration fees. It is to be expected that increasing numbers of automobiles will be retired from service for various reasons and only a very few replacements will be possible from the "stock pile" of new cars.

## Changes in Revenue Needs

Revenue needs of State and local governments, as well as their tax collections, are influenced by certain nonfiscal actions of the Federal Government. Reference is made to the use of priorities and allocations in directing the flow of raw materials. Neither materials nor manpower are available for many projects which State and local governments normally would include in their budgets. In other words, there will be less opportunity to make expenditures for certain classes of projects than has been true in the past. It is reported that many governmental bodies are reaching the end of current fiscal periods with surplus funds because of inability to start projects originally planned before the present restrictions were applied. These governments, it should be noted, have in such surplus funds a cushion that can be used either to reduce current levies or to absorb increased costs of continuing functions. In fact, cases of each kind have been reported. In addition, if such surpluses continue to occur, it may be possible for some of these governments to accelerate debt retirement or to build up reserves in anticipation of needs during the post-war reconstruction period.

For the present it is probably safe to assume that State and local governments as a whole will not be likely to increase their services to any great extent or to carry out capital improvement programs as in the past. Construction activities in general will be restricted or eliminated by the unavailability of materials and labor. Retrenchment in highway expenditures will follow from this and from the decline in receipts from gasoline and motor vehicle taxation. Maintenance work will take precedence over new construction. In some cases the prior claim of highway debt service upon automotive tax funds will leave little or no margin for either maintenance or construction work. War needs will dictate that such funds as are available be used first of all to maintain highways of strategic importance. It may even become necessary to revert to more widespread use of levies on property for road work if transportation restrictions cause automotive tax revenues to shrink still further.



## Federal Taxes and the Farmer

In the past Federal taxation was a matter of relatively little direct concern to farmers. The major direct Federal tax, that on individual incomes, was levied with such high personal exemptions that relatively few farmers achieved a sufficient net income to require the payment of any tax or even to subject them to the necessity of filing a return. Probably only during the boom years of World War I did any appreciable number of farmers pay Federal income taxes. Many of the excise taxes, of course, were paid by farmers to the extent that they bought the articles taxed. Examples are the tobacco and liquor excises. For the most part, however, the Federal taxes affecting farmers were such that they were merged into the costs of goods bought and were not separately shown in any way. Currently, excises are more numerous, have higher rates, and more of them apply in ways that call the farmer's attention to their existence as, for example, the annual automobile use tax.

The individual income tax now is levied at higher rates and with smaller exemptions than ever before. In addition there will soon be the victory tax, which, in effect, is an additional income tax. As both of these taxes are based on net income, farmers will not necessarily pay more merely because their gross receipts have increased. But net incomes of farmers are also increasing and it is to be expected that the combined income and victory tax liability of farmers will be substantial during the war years.

## Wartime Tax Burdens

Tax burdens, or tax effects, cannot be measured solely in terms of the number of dollars abstracted from an individual or groups of individuals. Neither can the effect be explained solely in terms of changes in the relationship between amount paid and such factors as income, property value, and the like. Basically taxation is but one manifestation of fiscal policy, and it is fiscal policy as a whole which is a major determinant of the distribution of the real burden of the cost of government. Thus the wartime tax burden of farmers is actually the net result of the interaction of a variety of complex factors.

In a conventional sense it is true that the burden of farm property taxes can be said to be decreasing at the moment because the levies have been relatively stable at the same time that farm income was reaching new highs. This burden is not likely to increase in the next year or two, as gross farm income can be expected to increase somewhat, and probably net income also. At present, governmental bodies are restricted in their ability to spend for certain activities such as construction programs, and cost increases for those activities still carried on often are moderate. So long as this situation prevails the general level of property levies probably will change slowly.

The amounts paid in retail sales taxes generally will increase as the income, and more particularly the spending, of farmers rises. If income available for spending rises at the same rate as the prices of things bought, it can be said that the real burden of the sales tax is unchanged. A reduction in the quantity of consumer goods available would tend to reduce the amount of sales taxes paid unless price rises should lead to aggregate dollar expenditures for such goods of about the same amount.

Some of the changes that can be expected in the amounts of Federal taxes paid by farmers have been mentioned. But the specific amounts actually are less important than are the general effects of Federal fiscal policies. While national policies are aimed primarily at directing our economy to a maximum production of war materials, they also affect both the amount of State and local tax levies and the farmer's ability to meet them. Thus wartime tax burdens must be viewed in the light of the general economic setting.

Probably the outstanding economic fact of today is the Federal Government's need for vast quantities of war materials. If we are to preserve the essential characteristics of our economic structure as we have known it, it is necessary for the Federal Government to <u>buy</u> and <u>pay</u> for the goods needed in the prosecution of the war. There are only three ways in which this can be done. The Government can obtain the funds through taxation, borrowing, or printing currency. The alternative to buying and paying for goods, of course, is expropriation. As a Nation, we are committed to maintaining the institutional framework within which the country has grown to its present stature, and this alternative is not treated here.

If the Government is to buy and pay for the goods it uses, it must decide upon techniques for raising the necessary funds. The particular techniques selected may not affect the aggregate economic burden of the war, but they do have much to do with the distribution of both the immediate and the ultimate burdens. If, for example, the war costs are met in full from current taxes, all of the burden can be said to be upon the taxpayers reached by the particular taxes used. It is they who would be deprived of a portion of their income or wealth. The distribution of the burden would be the same if borrowing were the sole revenue device and these same persons lent the Government the same amount as they paid in taxes under the previous assumption. On the other hand, the ultimate burden might have a quite different incidence, depending on the particular combination of taxes used to finance the retirement of the war debts.

Thus it can be seen that national fiscal policy will affect farmers in various ways. There may be a direct loss of spending power either currently or at a future time, because of taxes. Or, if inflationary devices are used, the farmer may seem to gain income temporarily and lose later as expenses also rise. In a period of inflation State and local governments face the same sort of race between rising income and rising expenses. Even without inflation both individuals and governments may find themselves restricted in their activities during the war, because of the unavailability of materials or manpower. Such restrictions may arise from either fiscal or nonfiscal actions of the Federal Government. But in any event the taxes levied by State and local governments will, in part, reflect their ability to carry on various functions in time of war. The scope of their activity will be strongly influenced by factors not within their control. Thus it can be seen that State and local taxes in wartime will be affected by broad national policies designed in the first instance to facilitate and stimulate the production of things needed for war purposes, and that the real burden of wartime taxation depends on the net result of the effects of the broader policies on the amounts of the taxes and on the resources from which the farmer pays them.

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Experience in Workmen's Compensation Insurance Among "General" Farmers. 1/ - Experience in workmen's compensation insurance, in the "general farm" classification in the United States, indicates a rather significant difference by areas in "pure" premiums, or the amount of claims paid per $100 of total pay roll.

Based on total pay rolls of more than a billion dollars during the 10-year period 1929-38, claims paid per $100 of pay roll, by areas, were as follows: East $2.64; Central $3.08; West $2.91; and South $2.08. If these data were "loaded" according to a commonly used "rule of thumb" procedure, 2/ they would represent average premium rates two-thirds higher than those shown.

Differences in the amount of claims made are affected by the scale of payments provided under State laws and the charges made for medical services, as well as by the frequency and severity of accidents. The amount of pay roll is affected by wage scales as well as the number of workers employed. That machinery is used more widely in the Midwest than in the South may increase the relative frequency and severity of accidents and may account for some of the difference in the rates as between the two areas.

1/ Analyses by the National Council on Compensation Insurance; data cover only one classification, general farming (code No. 0006).
2/ Overhead costs are said to absorb about 40 percent of gross premium receipts.

# WARTIME RISKS IN AGRICULTURAL PRODUCTION

John D. Rush and Earl E. Miller[1]

Risk-bearing in agriculture, already recognized as an economic problem of serious proportions, has taken on added public significance because of the war. The nature and scope of hazards arising in wartime agriculture are influenced by the production goals established and the particular methods used to reach them. Also involved is a determination of the degree to which these hazards should be borne by the public and by individual farmers.

This discussion is limited to the new hazards which stem directly from the impact of the war upon available physical resources and those which stem indirectly from the war through adjustments made in the national economy to meet these new situations. These new hazards, regardless of source, will be reflected through changes in the pattern of risks and the incidence of risk-bearing.

Because of the relatively important place that agricultural production holds in time of war, these new hazards become of special public significance. Hazards discourage production and promote scarcity of things vital for the war. A decline in the importation of certain agricultural products makes necessary an expansion of domestic production under conditions that involve added risks for the producers.

A diminution of producer goods, needed by farmers as a result of the shutting off of imports and the difficulties of producing or locating substitutes, also imposes restrictions on agriculture that are reflected in part in added production risks. The strains imposed on the existing economic structure by the reallocation of available manpower, raw material, and producer goods between the normal needs of the country and the war needs likewise are reflected in increased risks for the farmer.

Meeting the risks of agricultural production peculiar to war conditions requires joint action by farmers and Government. Ordinarily the farmer would be expected to bear or insure against all risks associated with his business, as any other entrepreneur, and to organize his farm plans accordingly. However, with essential resources limited and with farm production more or less directed, all the attendant risks should not be saddled on the farmer. To the degree that rights of individual producers are subordinated to national interests in the war program, measures for dealing with hazards increasingly become a function of the national Government rather than the individual farmer. Not a small part of the problem exists in the ability and the will, at both levels, to recognize the nature of the hazards and to collaborate in the task of meeting them in the most effective way.

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1/ Assistant Agricultural Economists.

Recognition of the necessity of sharing with farmers some of the hazards in the Food for Freedom Program is already evidenced in a number of wartime programs undertaken by the Government. In addition to a continuation of the current plan of working toward parity of economic opportunity for farmers, the following steps have been taken by the Government to insure production and to reduce risks: (1) Putting into operation a plan to assure adequate farm labor; (2) assurance of price supports, through loan and purchase programs; and (3) conducting educational programs for assisting farmers to make the necessary adjustments to the war program.

A farmer's cultural background has much to do with his concept of how best to meet risks. Usually he tries first of all to eliminate or reduce the danger of loss by personal action directed principally at the cause. Risks that cannot be eliminated or transferred to others must be assumed. These may be shared jointly with the farmer's family and perhaps with neighbors. It is characteristic of farmers to depend on their relatives and neighbors to work out or harvest their crops if they should become incapacitated.

Decisions by farmers as to methods of meeting risks are also influenced by other persons or groups in advisory or educational capacities. Specific examples of influences may be cited: Information on critical shortages by war boards, machinery companies, and farm organizations, with suggestions as to how best to meet them; visits to the farm to discuss the need for, and production of, critical crops, by AAA committeemen, men from the Extension Service, etc.; practical training of farm laborers for different jobs on some State university farms; and advice by creditors, both public and private.

Other specific risks lend themselves to actuarial treatment and the sharing of costs through organized insurance. In these cases the probability of a loss is calculated and the premiums that are collected provide funds for indemnification of losses. Private companies usually insure only against certain specific hazards, so the vagaries of war leave farmers without "coverage" for many of the transitory risks arising from the war. Changes in the probability of losses, which have occurred as a result of the war, have been met in part by expanded types of insurance coverage.

Risk-bearing is a production cost which the individual farmer seldom treats in terms of ledger accounts, nevertheless any increased hazards normally require a strengthening of the profit motive or an equivalent incentive if production is to be maintained. One way by which farmers may be induced to grow needed war crops, therefore, is to provide for governmental guarantees which perform the same function as prospects of increased income. In our production program to date we have used both increased-income prospects and reduction of costs associated with risks as incentives for increasing production.

In a total war we have no choice but to meet, or attempt to meet, these new hazards as they come, even though a basis for estimating the extent of the risk is lacking. We can at best gather experience as we progress, but must realize that there is inevitably a lag between the analysis of the experience behind and use of this information in meeting the risks ahead.

The hazards affecting agricultural production are recognized as being in three general classes. Although they overlap in many respects, these are: (1) Risks in terms of human lives, (2) risks associated with production, and (3) risks involved in financing. This classification is used to describe the elements of the problem as it has been approached here. Each of these classifications is treated separately.

## Human Risks

Risks involving personal casualties that in any way deprive farmers, members of their families, and employees, of ability to continue their work are significant economically and socially. Principles of the common law recognize the community interest in at least one phase of the matter by placing legal responsibility on farmers in case of accidents to employees. Of most importance in time of war is the loss by injury, illness, or death of farmers who have managerial ability, for this affects production and the status of families and employees.

In great measure the risks involving the eventuality of death, injury from accidents, illness, unemployment, and insecurity in old age, are assumed by individual members of the farm group. In only a minor degree have these kinds of risks been transferred and that principally through the use of insurance. Yet there is a general financial inability of individual farmers to meet these hazards adequately.

Farming as an enterprise has been forced to bear a disproportionately large share of these risks as compared with other industrial fields. The reasons are found largely in the nature of agriculture, its independence, and its isolation. The significance of these risks has been recognized, but the inability of farmers to deal with their risks within the framework of modern forms of social security has been principally due to the peculiar and difficult administrative problems involved.

Protection against unemployment and destitution due to old age was provided by the Social Security Act of 1935, but only to "protected" employments, which does not include farmers. Liability protection and compensation for farmers and their employees, respectively, were provided through the Workmen's Compensation Acts of most States; but, unless farmers and their employees voluntarily elect to become "covered," by subscribing to the required insurance, they are generally excluded from the compulsory provisions. Therefore, few have qualified.

Risks involved in increasing agricultural production with fewer workers are likely to be reflected in increased loss of life or loss of time caused by accidents and diseases. Large numbers of skilled farm workers have shifted into industrial production of vital war materials with resulting farm-labor shortages. Inexperienced recruits, many from the cities with no farm background, respond to the need and attempt to take the place of experienced farm hands. Older and younger persons, including many women, are helping. In all such cases the hazards of injury are increased. This year many farm people will work longer hours, subjecting themselves to excessive fatigue, thus increasing the chances of accidents.

An increasing number of accidental deaths, and increased injuries to farm workers, many permanently disabling, may be expected. Advanced mechanization will no doubt play a large part in this accident toll. Then older machinery, patched up and used because new machines are hard to get, will constitute a greater-than-normal hazard as they will be more difficult to handle safely.

Difficulties in human adjustment to a reorganization of the agricultural economy are recognized. An experiment is being conducted by the Farm Security Administration in which available farm labor from marginal areas or where labor is plentiful is being transferred to areas in which labor is lacking and the land is more productive. Educational facilities have been provided under these experimental plans to train these workers in new practices in order to lessen the risks involved in making these shifts.

In this country there has been a steady increase in the amount of life insurance in force but relatively little is known about the extent of farmer participation.

Studies of farm-family expenditures, based on samples, indicate the degree of participation in life insurance and other specified types of insurance by income groups.2/ They indicate a high correlation between income and the proportion of families having insurance expenditures, as well as the average amount spent. The data for 1941 are shown in table 1. As an example of the fragmentary nature of available information it is noted that an analysis of 12,499 sales of ordinary life insurance in May 1942 shows that 5 percent of the number of sales were to farmers and farm hands.3/

So far as the immediate war effort is concerned, it is probably most important to prevent interference with the production program by eliminating accidents, so far as possible. To this end, an accident-prevention program is being outlined by the Department of Agriculture to encourage farmers to use every safeguard in order to do their jobs safely. Especial emphasis is placed on safety instruction for recruits who, working in agriculture for their first time, are not familiar with the hazards.

## Production Risks

Risks in the production of food and fiber under war conditions are affected by limitations on the availability of resources needed for the job at hand. The approach, therefore, to a mitigation of loss is partly in the ability to utilize the factors of production on the most efficient basis and partly to diffuse the cost of risk-bearing through insurance and thus convert it into a cash expense item chargeable to the enterprise.

Risks exist in the methods evolved to meet such situations as (1) shifts in farm organization and (2) shortages in producer goods and manpower.

2/ Bureau of Home Economics, Study of Family Spending and Saving in Wartime, unpublished data.
3/ Analysis of 1942 Buyers, Best's Insurance News, September 1942, p. 15.

Table 1.- Percentage of families paying premiums for specified types of insurance, and average expenditures per family, by net money income classes, rural farm families, 1941 1/

| Net money income class | Families paying premiums for specified types of insurance | | | | | Average expenditures per family for premiums for insurance of specified types 2/ | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Life, endowment, annuity | Health and accident | Fire, tornado, other insurance on home | Automobile | Furnishings | Life, endowment, annuity | Health and accident | Fire, tornado, other insurance on home | Automobile | Furnishings |
| | Pct. | Pct. | Pct. | Pct. | Pct. | Dol. | Dol. | Dol. | Dol. | Dol. |
| 0 to $499 ............... | 35 | 7 | 19 | 9 | 5 | 8.94 | .67 | 2.43 | 1.84 | .17 |
| $500 to $999 ............ | 51 | 7 | 38 | 25 | 9 | 21.84 | .84 | 6.48 | 5.40 | .50 |
| $1,000 to $1,499 ........ | 57 | 10 | 39 | 38 | 9 | 28.37 | 2.05 | 6.85 | 8.46 | .75 |
| $1,500 to $1,999 ........ | 63 | 19 | 42 | 52 | 24 | 46.24 | 3.98 | 8.03 | 13.27 | 1.82 |
| $2,000 to $2,999 ........ | 72 | 26 | 48 | 75 | 23 | 66.93 | 11.33 | 9.30 | 22.65 | 1.92 |
| $3,000 and over ......... | 68 | 17 | 44 | 71 | 20 | 124.96 | 4.09 | 12.46 | 30.65 | 2.33 |
| All rural farm families 3/ | 50 | 11 | 33 | 31 | 11 | 30.48 | 2.35 | 5.96 | 8.51 | .91 |

1/ Includes only families who reported expenditures for the full period.
2/ Averages are based on the total number of families giving expenditure schedules, regardless of whether they had expenditures for premiums for insurance of the specified types.
3/ Includes a few families with negative incomes that are not shown separately.

Bureau of Home Economics, Study of Family Spending and Saving in Wartime, unpublished data.

Hazards associated with the development and use of new techniques that have to be learned in converting farm organizations to new kinds of crops more essential to the war are, of course, recognized. Changes such as shifting from an intensive to an extensive type of farm organization may be necessary in cases in which farmers can secure the necessary equipment but cannot secure the labor. Such a shift may mean that a farmer has a smaller production.

As farm machinery breaks down, it will become increasingly difficult to secure replacement parts or repairs and such incidents at critical times in farm production may have serious effects. Complications are involved when tractors wear out and have to be discarded. In switching from motors to horses, many farmers will be handicapped in trying to adapt their heavy cultivating and harvesting equipment to the draft limitation of animals.

Even though farmers devise substitutes and utilize discarded machinery, the net effect of such shifts is to weaken their ability to produce. Farmers who grow crops that must be harvested within limited periods must have at least the minimum required labor and equipment or they may lose a considerable part of their harvest, after the crop has been brought to maturity.

Production risks in wartime not only involve natural forces operating upon growing crops and livestock and the use of labor and property in producing and storing, but also the danger of exposure to actual warfare. Farmers have access to insurance covering losses to crops and property, including the recent war-damage coverage, but war has affected the replacement of property and thereby the degree of protection. Thus the war affects both the function of insurance and its use.

War-damage insurance

Shortly after entrance into the war, the Government made it possible for farmers to insure their property or growing crops against loss or damage resulting from enemy attack or from action by our military forces in resisting attack. Official data are not yet available to indicate the volume of this insurance that has been taken by farmers but a recent item indicates that a number of companies have sold very little to farmers and that which was sold was taken principally in coastal areas, where the danger of attack has been considered greatest.4/ War-damage insurance may have been taken by farmers in our island possessions, but reports are not yet available to show the extent to which these farmers have participated.

Federal crop insurance

The Federal Crop Insurance Corporation in its wheat and cotton programs has ruled that crop losses caused by invasion forces or the Nation's defenders are covered under the original insurance contracts. The interpretation has been made that since such losses are "unavoidable" they are

4/ Little War Damage Sold to Farmers Outside Coast Area, The National Underwriter, Sept. 17, 1942, p. 3.

covered, just as are the losses due to drought, hail, insects, and the like. Under the wheat and cotton insurance programs, farmers must stand the first 25 (or 50) percent loss in yield from all causes, including war damage. Coverage extends up to the time of harvest, so the farmer's stored crop is not included under the insurance contract.

Regulations outlining the procedure for adjustment by the Federal Crop Insurance Corporation of losses attributable to the inability of farmers to perform their usual cropping practices because of wartime shortages were established in the spring of 1942. For example, if a farmer normally used a certain quantity and kind of fertilizer and, because of wartime conditions, was unable to obtain and apply it, that fact would not preclude him from being indemnified for the resultant loss in yield; however, the cost of the fertilizer would be deducted from his indemnity, together with any savings in production cost that would normally have been expended in mixing and applying the fertilizer.

It is impossible at this time to estimate what effect higher prices and the inclusion of these "war provisions" have had on participation in the crop insurance programs for wheat and cotton.

Hail insurance

Experience of private carriers with insurance against losses to crops by hail has indicated an increase in the use of this form of crop protection attributable mostly to higher prices and, therefore, attributable indirectly to the war. One company that writes a rather large amount of hail insurance throughout the country reported a 20-percent increase in premiums in 1942 over 1941. The explanation given was that good growing conditions, good crops, and good prices in many sections encouraged the farmers to take out an increased volume of hail insurance.

Fire insurance

Insurance of farm buildings against loss by fire constitutes probably the largest volume of coverage of any kind used by farmers. Possibility of loss of farm buildings and their contents is more serious in wartime because of the increased need for farm production and because farmers might not be able to replace the buildings. Replacement value of farm buildings has increased, too, because of the increased cost and scarcity of building materials and labor.

Burned farm buildings and machinery are a national loss. To replace them places a drain upon our natural resources which competes with the demands of the war program. If shortages of automobiles, tires, gasoline, and personnel should force insurance companies to curtail their loss-prevention and risk-inspection activities, fire losses might increase. At the joint meeting of the agricultural committee of the National Fire Waste Council and the Farm Fire Protection Committee of the National Fire Protective Association in November, a representative of the stock fire insurance companies stated that these companies do not expect to reduce their inspection work although inspections may not be made as quickly as before.

Livestock insurance

Great expansion has taken place in the livestock industry as a result of the war. More horses and mules are needed because tractor production has been curtailed and more meat animals are needed because of the food requirements of the Army and the lend-lease commitments for beef, pork, mutton, dairy products, poultry, and eggs.

During World War I several new insurance companies were organized to insure livestock, especially slaughter animals, but these dwindled away rapidly after the war, when the demand for meat subsided and prices fell. Since this war began the volume of livestock insurance has increased, but it is doubtful that there will be a material wartime increase in the number of new livestock-insuring companies.

Automobile insurance

The goal of efficient distribution in wartime gives rise to new problems in transportation. Because of the importance of automobiles and trucks in conducting the farm business, the risks associated with their use are of special significance. To the danger of damage to vehicles and the possibility of damages involved in using them, is added the danger of inadequate transportation. If new trucks are not available, or existing trucks cannot be properly repaired or equipped, farmers' produce may deteriorate on the farms or be unavailable when needed.

Probability of accidents as a result of collisions will be decreased by restrictions on travel, as the volume of traffic in general is reduced, and also by reductions in allowed speeds. But it may be that hazards per mile will increase because of old tires, machines in poor mechanical condition, blackouts, and fatigue from longer periods of duty. Qualified opinions indicate that accidents will decrease in frequency but increase in severity.5/

The effect of the war on the insurance of farm vehicles is a debatable question. Any changes are only partly applicable to farmers because farmers carry little auto insurance, as indicated by a special study which shows that only a third of the farmers who own cars carry policies on them.6/

Fewer new cars will be insured, but the less-than-normal rate of obsolescence on present cars will tend to maintain the current volume of insurance. Auto collision insurance probably will decline. In some cases liability-insurance rates on school buses used in transporting agricultural labor in California have been revised downward to less than one-third the former rates, with no restrictions on the number of trips per day.7/ Automobile rates on comprehensive and collision coverage have also been reduced 10 percent or more by some companies to A card holders.

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5/ National Underwriter, Sept. 3, 1942, p. 18.
6/ A. J. Fisher, Personal and Automobile Insurance Carried by Rural and Urban Groups. Agricultural Finance Review, Nov. 1940.
7/ Article in U. S. Dept. of Agriculture War Board Activities, No. 31, Sept. 10, 1942.

## Financial Hazards

Production of crops essential to the winning of the war places greater emphasis on the judicious use of capital. Risks arising from physical changes and those that accrue because of changed financial conditions are usually inseparable. If financial conditions permit, the farmer may bid for available factors of production. Changes in the financial requirements of production affect the farmer's risks in that they may result in improvised methods or material or they may change the investment of the farmer without guaranteeing a proportionate return, or both. The farmer's problem, then, is specifically, "Will it pay?" or "Will trying to make it pay add to the possibility of loss?"

To meet the production goals farmers will have to make many changes in farm organization. Shifts in production may mean long-term investments which seem economically feasible under present price relationships; but changing conditions may leave the farmer with an obsolete investment. The option of redeeming a commodity credit loan enables the farmer to take advantage of prices above loan values and reduces the risks of price fluctuations.

Production of crops essential to the winning of the war places greater emphasis on cash crops and tends to make self-sufficing areas more commercial in aspect. Not only will farmers in such areas need more farm labor than formerly but because of the scarcity of laborers they will bid higher for them. Both increase the farmers' need for capital. Higher prices of material and supplies will also increase farm expenses and add to the risk of a farmer in financing a crop.

Operating expenses and investments required to produce, or convert to the production of, war crops may dictate that farmers be furnished capital by improvised criteria that will be predicated more upon war needs than upon formerly recognized credit standards.

## Conclusions and Questions

War has pointed up the problem of risks and of risk-bearing, from the angle of the national interest in food production. One net gain from this experience doubtless will be a clarification of issued involved in risk-sharing. Then perhaps methods will be put in use by which these problems may be more successfully attacked in the future.

Realization of the extended rights of others in the things that farmers produce will help to clarify some of the clouded issues as to risk-bearing in the conventional theory of production. In a total war the incidence of risks transcends the civil rights and responsibilities of those who produce; it involves also those who are dependent upon these products. As farmers and consumers become more dependent on each other, the feeling of joint responsibility in matters of risks and risk-bearing becomes more pronounced.

As a group, our farmers are willingly making sacrifices to help win the war and are utilizing their resources, which are considerable, in adapting themselves to a war-geared economy. It is possible that a plan to insure the farmers' recovery of costs of production in connection with the growing of war crops might alleviate some of the within-season hazards. Financial guarantees and insurance cannot, of course, assure the production and harvesting of a crop if laborers are not available. Central labor-control systems may have to be resorted to in order to allocate workmen for essential jobs such as harvesting crops.

Farmers could also be protected against the special risks of wartime production by nonrecourse loans provided for the growing of specified war crops. These loans would represent cash costs of production and could be budgeted in advance and made available at such times as funds were needed. This plan would eliminate those risks involved in making cash outlays and would tend to encourage farmers to continue operations at any phase of crop production. In effect, the latter plan would be insuring costs of production and would have the added advantage of excluding some of the administrative difficulties of the former plan. Production costs could then be determined on an individual basis rather than by applying area averages which seldom fit the actual situation. Expense of a check-up would be necessary only in the case of unpaid loans.

But other forces, not directly related to the war, are introducing changes in the fundamental purpose of schemes devised to deal with risks. New conditions that result from the use of certain governmental controls in wartime and other exigencies of war will have an indirect effect tending to accentuate evolutionary changes in agricultural insurance.

What role will Government play, in insurance matters during the war? Will the war bring out any weakness in insurance legislation enacted by the States indicating that the subject might be attacked from a Federal standpoint? Will new types of insurance be developed? Will insurance companies continue to write insurance principally by "lines," or will comprehensive policies be more widely issued?

Farmers and insurance companies are definitely interested in current governmental ventures in the insurance field. Programs for such ventures are planned by the War Damage Corporation, the Federal Crop Insurance Corporation, and the Life Insurance Bureau of the Veterans' Administration. Then the accident and health mutuals and the livestock insurance programs developed for governmental clients within the agricultural rehabilitation program, should be mentioned. The Farm Security Administration has also sponsored associations set up to insure life and property, and has sponsored veterinary groups as a form of health insurance on farm animals. Broader programs include social security, retirement plans, and price guarantees for producers of certain basic commodities.

A chief reason for insurance against war damage by the Government may be that assumption of the risk is in the national interest. That consideration raises the question, at what point do hazards to farm production become hazards to society to an extent that requires treatment by the Nation?

# INFLATION AND THE FARMER

Oscar Zaglits1/

The farmer's interest in the policies shaping the wartime economy in the United States is twofold in character. As a citizen he shares with other citizens the desire that our economic and financial policy be organized so as to make the greatest possible contribution to the conduct of the war and to the reconstruction of our economy afterwards. As a farmer he finds that, because of the greater rigidity of its economic and social structure, agriculture is highly dependent on stable economic and financial conditions; therefore, he must wish that our policies aim at securing such stability. From both viewpoints he does well if he gives attention to the problems of inflation and inflation control because economic and financial stability during and after this war depends on an adequate solution of these problems.

The experience of the last war must be considered as a warning. In the inflation which developed during and after that war, prices in general and those of farm products and farm real estate in particular went up, only to drop heavily during the depression which followed, and farm indebtedness increased tremendously. Many of the financial difficulties which were encountered by farmers in the years between the first and the second World War resulted from these price fluctuations and the inflationary increase in farm indebtedness.

Bearing this experience in mind, in the first part of this article, we shall examine the character of inflationary developments; in the second part their effect on agriculture; and, in the third part, problems of inflation control.

## I. Inflation and Its Effect on Agriculture

This part deals with the following problems: (1) Wartime contrast between expanding national income and contracting production of consumer goods; (2) repercussions upon farm and nonfarm prices; (3) trends toward runaway inflation.

### Wartime contrast between expanding national income and contracting production of consumer goods

This war, like the last one, has made necessary an enormous expansion of Federal expenditure for the purposes of warfare; and this, in turn, has led to a sharp increase in the dollar volume of national income.

1/ Agricultural Economist.

Latest estimates[2] of total Federal expenditure for the current fiscal year were 84 billion dollars inclusive of net outlays of Government corporations but exclusive of disbursements for trust funds. Of this total, 78 billion or 93 percent are war expenditures. In the event of a prolonged war, Government expenditures will probably increase still further. They are expected to reach a total of more than 100 billion dollars in the fiscal year 1944, assuming that the war will last throughout that year.

The rapid expansion of our war production has been accompanied by an increase in the volume and value of the gross national product[3] far beyond any level reached in the past. Even though further price rises should be prevented, the gross national product of the current fiscal year will probably exceed 165 billion.[4] As our production continues to expand, it is to be expected that the volume of the gross national product would reach an even higher level during a prolonged war.

On the other hand, the production of consumer goods is decreasing as a result of converting as much productive capacity as is feasible to the war effort. Up to now, this decrease has been moderate. Measured in constant dollars, the volume of consumer spendings appears to have dropped by about 5 percent from the middle of 1941 to the middle of 1942 (fig. 1).[5] But the curtailment in the output of consumer goods will be greater month by month even though it may never become so incisive as has been the case in European countries.

This shrinking in the output of consumer goods is in sharp contrast to the increases in employment and in monetary incomes. Civil nonagricultural employment increased from June 1941 to June 1942 by 2.5 million persons,[6] the number of family and hired workers on farms also increased

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2/ Second revision of Federal Budget Estimates, October 1, 1942.
3/ The concept of "gross national product" is more comprehensive than that of "net national income." The latter is usually understood to comprise only the distributive shares in the national product which are received by the factors of production in the form of wages, salaries, interests, rents, royalties, and net profits. The concept of "gross national products" comprises in addition those shares in the national products which either flow to the Government through the payment of business taxes or are retained in the business enterprises through depreciation and depletion charges, credits to reserves, charges of capital outlays to current expenses, or changes in the valuation of inventories. The "gross national product" can therefore be defined as the total of all final products produced by the Nation. Milton Gilbert (War Expenditures and National Production, in Survey of Current Business, March 1942) rightly has claimed that the "gross national product" offers a better basis for estimating the magnitude of Federal war expenditures than does the "net national income."
4/ Estimates made by the Bureau of Foreign and Domestic Commerce put the gross national product at 167 billion for the fiscal year 1943; of this total consumer expenditure would amount to 80.5 billion, private capital formations to 2 billion and Federal, State, and local Government expenditures to 84.5 billion. (In calculating the last-mentioned figure deductions have been made for transfer payments, offshore payments, and other items that do not absorb part of the gross national product.)
5/ The indices charted in fig. 1 have been calculated on the basis of data received from the Bureau of Foreign and Domestic Commerce on the actual amount of consumer spendings and on the volume of such spendings if measured in average 1939 dollars. <u>See also</u> the article by Milton Gilbert and Robert Bangs on "National Income and the War Effort - First Half of 1942," Survey of Current Business, August 1942.
6/ The nonagricultural employment totaled 39.3 million persons in June 1941 and 41.8 million in June 1942, according to the Bureau of the Census.

CONSUMER EXPENDITURES, UNITED STATES, 1939-42

INDEX NUMBERS (1939=100)


Figure 1

in this period, though only slightly.7/ The total disposable income of individuals in the United States increased 20 percent between the second quarter of 1941 and the second quarter of 1942.8/

Repercussions upon farm and nonfarm prices

In a free competitive market prices tend to rise if production is curtailed and consumer income increases. In the present war the influence of competitive forces upon prices has been altered by Government measures; some of these measures were designed to change the relationship between various categories of prices, such as the legislation aiming at the reestablishment of the so-called parity relation between farm prices and nonfarm prices; others aimed at the stabilization of prices and, more recently, of wages.

For a long time it has been a goal of agricultural policy to regain "parity prices" for farm products - that is, prices which would give these products an exchange value, for commodities bought by farmers, equivalent to that which prevailed in the years before the First World War. Farm

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7/ 11,929,000 persons were employed on farms in June 1941 and 12,009,000 in June 1942, according to the Farm Labor Report of Nov. 16, 1942.

8/ The seasonally adjusted annual rate was 86.0 billion for the second quarter of 1941 and 103.0 billion for the second quarter of 1942. (See the article by Gilbert and Bangs quoted above.)

prices had dropped far below their pre-war ratio to prices paid by farmers in the depression of the early thirties (fig. 2). Subsequently, farm prices improved absolutely and relatively to prices paid by farmers until the goal of price parity was reached in January 1937. But in the next month the index of prices received by farmers again dropped below that of prices paid and it remained substantially below the latter until the outbreak of the war in Europe. Between August 1939 and the beginning of 1941 this unfavorable gap was only slightly narrowed. Between March and August 1941 this gap was being closed; and, since that date, the index of prices received by farmers has remained on or above parity to the index of prices paid by farmers. However, the general trend of prices already had been upward since fall 1940; in this situation the gap between prices received and prices paid by farmers was, and could only be, closed through an increase of farm prices in excess of the rise in nonfarm prices.

Increases in farm prices were a factor in the upward trend of the general price level. But the influence of this factor should not be overrated because the competitive situation in the commodity and labor markets would have forced the general level of prices and wage rates up even though farm prices had remained at their old level. This is illustrated by the fact that, from the early part of 1940 on, wage rates have increased more than costs of living. Moreover, the increases in prices and wages which took place during the first part of the war were, on the whole, not out of proportion to the changes in the economic and financial situation which took place in this period; and to some degree they have been useful in alleviating and accelerating these changes.

## Trends toward runaway inflation

By now, however, a considerable part of the shift toward war production has been made, and many price and wage adjustments have taken place. The further the conversion of our economy from peace to war progresses, the less will unrestricted increases in prices and wage rates have the character of adjustments of the relationships between the various kinds and groups of prices and wages; and the more will it take the form of a spiraling upward movement of the general level of prices and wages.

If prices and wages should continue to increase freely, sooner or later secondary forces would accelerate this trend. These secondary forces are unleashed by the efforts of people to protect themselves against the danger of further reduction in the purchasing power of the currency.

In the period before the setting of general maximum prices many consumers were making commodity purchases in advance of needs, not only because they expected scarcities to develop but also because they were afraid of price increases. If the Government had not set maximum prices, the repercussion of these developments, and particularly their coincidence with a progressive shrinkage in production of consumer goods, would have caused sharper and sharper price increases. Sooner or later anxieties would have developed also with regard to the purchasing power of savings, and people

might have begun to shift from monetary forms of investment, such as bonds and savings accounts, to what has been called "investments in kind" (common stock, real estate, and any kind of storable commodity).9/

Such repercussions of an upward spiraling of prices and wages cause undesirable dislocations in our economic system and thereby impede the adequate use of national resources for the war and for supplying consumers with needed commodities. In a short war, the detrimental effect would be of a limited size. If, however, the war should be a long one, the efficiency of our war economy would become seriously handicapped. Moreover, the farther up the spiraling of prices and wages is permitted to go, the harder becomes the task of checking this trend. It is true that stringent deflationary measures can stop even the worst kind of inflation, but inevitably such measures must be paid for by depression and distress.

## II. Effect of Inflation on Farmers

It has been recognized that the general price movement is of less importance for agriculture than the changes in the ratio between prices received and prices paid by farmers. Similarly, the changes in the nominal amount of farm income are of less importance than the changes in the purchasing power of this income. The effect on the farm debt situation is somewhat different insofar as an increase in the nominal amount of farm income facilitates the repayment of old debts; but a reduction in old debts resulting therefrom is, to a larger or smaller degree, counterbalanced by increases in new borrowings caused by the repercussions of inflation.

We deal first with the effect of inflation upon farm prices and farm income and then with its effect on the farm debt situation.

### Effect on the price and income situation of farmers

The effect on prices and on farm income is different in each cycle of inflation and deflation because of differences in the economic and financial situation, as well as in government policies. If specific influences of this kind do not change the trend, and if the inflation-deflation cycle follows the pattern which in general is typical for business cycles,10/ the repercussions of inflation and deflation may cause a sequence of three different tendencies to follow each other: In the early stages of an inflationary price spiral, prices received by farmers tend to increase more than prices paid; in the later stage of it, prices paid tend to increase more than prices received; and, during the subsequent deflationary price fall, prices received tend to decrease more sharply than prices paid. The result of a development of this kind is that the ratio of prices received to prices paid - which indicates the net effect of prices upon the purchasing power

9/ Large-scale shifts to investments in kind characterized the inflations which took place in Central European countries during the last war and the period following it, and they increased considerably the difficulties that arose in the economies of these countries.

10/ This pattern is characterized by a more-than-average increase in the prices of primary products in the early upswing, a more-than-average increase in retail prices in the late upswing, and a more-than-average drop in the prices of primary products in the downswing.

of farm income - increases only in the early stage of an inflationary development but decreases in the later stage as well as in the deflation that follows.

An analysis of the agricultural price trends during and after the last war offers an example in which this sequence of tendencies actually prevailed. As shown in the lower part of figure 2, the ratio of prices received to prices paid tended to improve from 1915 to 1917; then it deteriorated moderately from 1917 to 1920, although the general price trend remained upward; finally from 1920 to 1921 it dropped sharply when the general level of prices fell under the influence of deflationary measures.

Figure 3 shows that the nominal amount of farm income followed in general the trend of prices received, and the purchasing power of this income followed the trend of the ratio of prices received to prices paid. An exception was the period from 1917 to 1918, in which the purchasing power of farm income increased in spite of a 1-percent drop in the ratio of prices received to prices paid; the reason is that this 1-percent drop was more than offset by an increase of nearly 6 percent in the volume of farm production (crops and livestock). But from 1915 to 1917 the purchasing power of farm income increased with the increase in the ratio of prices received to prices paid and from 1918 to 1921 this purchasing power decreased to conform with that ratio, although up to 1920 the general price trend continued to be upward. In particular it may be noted that from 1918 to 1919 the purchasing power of farm income decreased by 5.4 percent although the nominal amount of this income increased by 8.5 percent as a result of higher prices of farm products.

In analyzing current conditions, we find that the improvement in the ratio of prices received to prices paid between August 1939 and August 1941 was followed by a period in which the main trend of these two groups of prices remained parallel (August 1941 to April 1942). Then the freezing of most of the nonagricultural prices resulted in some further improvement in the ratio of prices received to prices paid. The exact course which this ratio would have taken without such interference obviously cannot be determined. But it is probable that, if an inflationary spiraling of prices were not impeded, this ratio would sooner or later tend downward,11/ because civilian supplies of many manufactured goods are being progressively reduced under the impact of the war, whereas in the case of foods, either civilian supplies have remained relatively ample or the effect of shortages upon the market is counterbalanced by the rationing of consumption.12/

Therefore, if the green light were given to an inflationary spiraling of prices and wages, the improvement in the farm situation attained in recent years might be offset to a greater or smaller extent by a shrinkage in

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11/ In this connection it must not be overlooked that farmers' costs of production are being increased by rising farm wage rates. The index of the latter reached 220 percent in October 1942, as compared with an index of 169 percent for prices received by farmers. The growing scarcity of labor and industry's ability to pay higher wages threaten further to increase farm wage rates and thereby to raise farmers' costs of production.
12/ Outside of the realm of food, consumption has been rationed only in the cases of gasoline and of some durables of which not more than insignificant amounts are now produced for private consumption.

# PRICES RECEIVED AND PAID BY FARMERS, INDEX NUMBERS, UNITED STATES, 1910-42

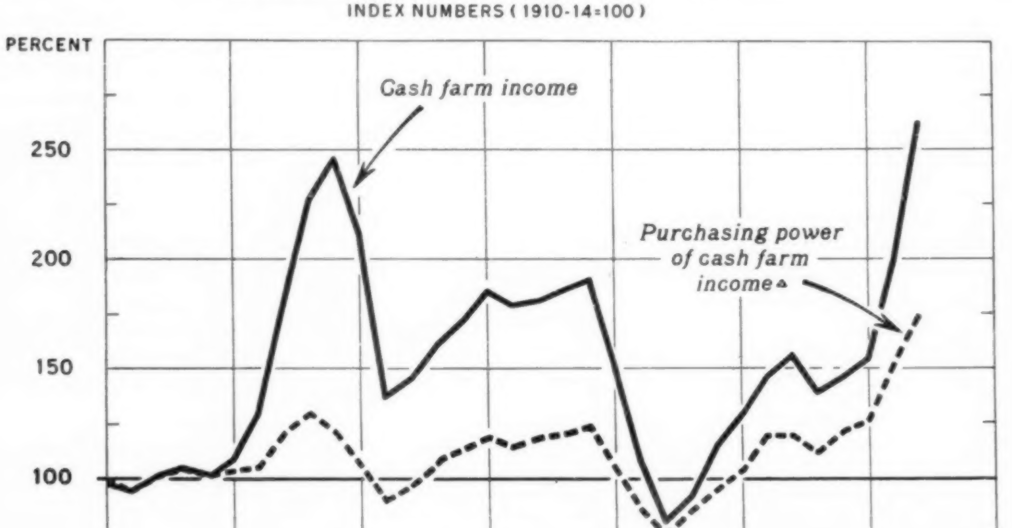

* PRICES PAID NOT AVAILABLE BY MONTHS, 1910-22

U. S. DEPARTMENT OF AGRICULTURE NEG. 39935 BUREAU OF AGRICULTURAL ECONOMICS

Figure 2

# CASH FARM INCOME AND ITS PURCHASING POWER, UNITED STATES, 1910-42*

INDEX NUMBERS (1910-14=100)




* INCLUDES GOVERNMENT PAYMENTS, BEGINNING 1933

▲ CASH FARM INCOME ADJUSTED FOR CHANGES IN PRICES PAID BY FARMERS FOR COMMODITIES

U. S. DEPARTMENT OF AGRICULTURE NEG. 42762 BUREAU OF AGRICULTURAL ECONOMICS

the purchasing power of farm income similar to that which occurred in the latter part of the boom period of World War I. Furthermore, if such a runaway inflation should be stopped by severe deflationary measures in the post-war period, the resulting large-scale unemployment and curtailment in consumer spendings might again cause a rapid dwindling of cash farm income and of the purchasing power of this income.

Effect on farm indebtedness

In a period of inflationary war financing, increases in the nominal amount of farm income usually result in an acceleration of the payment of outstanding debts of many farmers; on the other hand, production shifts and higher costs of production force other farmers to resort to new and larger borrowings. The latter trend becomes stronger if the expansion of farm production and the improvement of farm income is followed by an increase in the demand for farm land and in the prices of such land. Increased expenditures for machinery and equipment may also become a reason for larger borrowings.

In the inflation of World War I the final result of various influences of this kind was a considerable increase in farm indebtedness in the United States. The weight of the increased debt burden caused severe distress among many farmers when deflation decimated farm income in the early 1920's.[13]

In the present war the development of farm indebtedness in the United States has, up to now, been more favorable than in the last one. The decrease in the farm-mortgage debt, experienced in preceding years, continued during 1941 and probably also during 1942. Short-term farm indebtedness, as measured by the amount of short-term loans held by selected private and Government agencies[14] had increased for several years prior to this war; it continued to increase from July 1, 1941 to June 30, 1942. But the rate of increase in these 12 months (3 percent) appears to be moderate if compared with the 14-percent increase in the volume of farm production which took place in 1942.

If the present tendency to accelerate farm-debt repayment and to avoid heavy new borrowings should prevail in spite of a progressive expansion in the currency circulation, the effect on the farm debt situation would be favorable; yet the subjective attitude of farmers is not always the decisive factor in determining this trend. In a majority of cases farm debts are not incurred lightheartedly but because of needs for capital resulting from a given economic situation. If the general level of prices

13/ In the European countries in which runaway inflations were experienced, the severe depreciation of the currencies resulted in a considerable reduction in the weight of farm indebtedness; but the improvement in the farm debt situation did not last. When those inflations were stopped, the volume of farm debts began to increase again, and in many countries the increase was so rapid that after a relatively short period the weight of the farm debt burden upon farm income became heavier than it had been in 1914. Among the main reasons for this development were: The need to restore worn-out farm capital at high prices, the detrimental effect of inflation on consumer income, and thereby, indirectly on the market of farm products, and the sharp increase of interest rates which resulted from the inflationary destruction of the purchasing power of monetary savings.
14/ Insured commercial banks, agencies supervised by the Farm Credit Administration, and Farm Security Administration.

and wages should be permitted to increase progressively, and if real estate values should follow suit, many farmers might again find it necessary to borrow large amounts and the volume of farm indebtedness might again increase. And if, after the war, stringent deflationary measures should sooner or later stop such an inflation, thereby forcing the general level of prices and wages down, the burden of increased farm debt might again cause distress among many farmers.

To sum up: The recent improvement in the price, income, and debt situation of farmers would be endangered by the repercussions of an uncontrolled upward spiraling of prices and a subsequent sharp deflation. It would appear in the interest of farmers that such dangers be averted; but this goal will be achieved only if the Government's anti-inflationary measures are effective enough to prevent not only an increase in the prices of consumer goods but also a deterioration in the price-cost relationship of agriculture, a deterioration which, at least in some instances, might hamper the Food for Freedom Program.

## III. Problems of Inflation Control

Four categories of devices must be combined to establish inflation controls which are effective and still preserve needed flexibility in the economic system: (1) Price and wage controls; (2) allocations and rationing; (3) taxation as an anti-inflationary measure; (4) voluntary and compulsory savings.

### Price and wage-rate controls

Price controls are often thought of only as an instrument for combatting rising costs of living. If price controls should be directed only at this goal, they would essentially be a measure of consumer protection. Moreover, by aiming only at the maintenance of a given level of retail prices irrespective of changes in the conditions and goals of war production, price controls might become an impediment to the maximum production effort needed to win this war. To avoid such an undesirable consequence and to make them a useful instrument of our war economy, price controls must be comprehensive as well as flexible.

They must be comprehensive, because any prices or wages are costs to those who have to pay them as well as income to those to whom they are paid. The control of only a certain group of prices or of prices alone and not of wages cannot achieve more than a temporary success. Sooner or later, increases in uncontrolled prices and wages raise the costs of production of goods whose prices are being controlled with the result that the controlled prices also must be permitted to increase.

Price controls must not aim at preserving a given price-cost structure but must be flexible because changes in the price-cost structure may be needed in order to facilitate the utilization of less productive resources and in order to make adjustments in cases in which an insufficient

margin between the price and the costs of a product is an obstacle in obtaining war production goals or an impediment in shifting resources to a more needed use. The need for flexibility of price controls has been indicated by the fact that Great Britain, Canada, Germany, and other countries have found it necessary to introduce such flexibility in their control systems.



If carried out on a comprehensive scale and in a flexible manner, price and wage controls can operate without having a negative effect upon the volume of production. By preventing the overbidding for scarce resources, effective price controls can give important assistance in the organization of our war economy. This effect is of particular importance in the case of resources the distribution of which is not directed by allocation or rationing.

In addition to checking the upward spiraling of prices and wage rates, effective price and wage controls strengthen the confidence in the maintenance of the purchasing power of money; and thereby help to prevent commodity purchases in advance of needs or for investment purposes, reduce the pressure of demand upon the market, and operate as an encouragement to saving. Wage controls also have a direct curtailing effect upon consumer purchasing power.

On the other hand, insofar as such controls prevent the upward spiraling of prices, they also prevent an absorption of the additional purchasing power resulting from larger Government spendings and higher monetary incomes, whereas in free competitive markets such surplus purchasing power would be absorbed by means of price increases. These controls alone therefore do not suffice as inflation checks, but they must be supplemented by measures which directly result in curtailing nonessential demands on scarce resources.

Allocations and rationing

The common purpose of allocations and of rationing is to direct the distribution of scarce resources in accordance with the administrative rating of the various war and civilian demands competing for these resources. Allocations give priority in the use of scarce resources to needs more important and more urgent in wartime over less important and less urgent needs. Rationing is used to secure an adequate distribution of scarce supplies among consumers.

Among the needs for which allocations are made, airplanes, ships, guns, munitions, and other materials directly needed for warfare must rank first; but, in addition, allocations are made for tools and equipment needed under the war-production program or the Food for Freedom Program. Without curtailing, or even discontinuing the production of all dispensable gadgets, less of the scarce resources would be available for the production of war materials, farm machinery, etc.

Allocations and rationing operate to keep demands in balance with available supplies. By preventing a pressure of excessive demands upon the markets of these commodities, they also facilitate the task of maintaining price ceilings for these products. On the other hand, the restrictions which they place upon the buying of allocated and rationed commodities lead to greater demands for such other commodities as can be used as substitutes. If such demands should increase too much, they would make it necessary to expand the system of priorities and rationing to an increasing number of commodities and services. On the other hand, since the demand for the goods which remain available without restrictions has its natural limitation, it seems probable that the restrictions of buying imposed by allocations of rationing will result not only in an increase of substitute purchases but also in an increase of current savings.

## Taxation as an Anti-Inflationary Measure

The Revenue Act of 1942 is expected to bring in about 7.7 billion dollars additional revenue in a full year of operation.15/ During the current fiscal year the new taxes will yield less, because they have been effective only during part of the year. No official estimate has been published of the increase of revenues during the fiscal year 1943 which may be expected from the new tax law since this law has been enacted. It would, however, appear probable that altogether the net receipts of the Treasury in the current fiscal year will come close to 23 billion and the net receipts from trust accounts to about 2.5 billion, which would leave 58.5 billion to be borrowed from the public.

In view of the need for such enormous borrowing, questions such as these are often asked: "Why do we not levy taxes sufficiently high to 'pay as we go' for the wartime Government expenditures?" Or, "Why do we not finance the war entirely out of tax revenues in order to eliminate any danger of inflation?" Undoubtedly it is desirable that war expenditures be paid out of tax revenues, up to the maximum feasible limit. This is desirable not only for reasons of an anti-inflationary policy but also because - insofar as this is done - it constitutes a final settlement of the financial burden of the war, whereas payment for the war with borrowed money results in an increase in the Federal debt and in the interest payable on this debt. However, to pay all wartime Government expenditures out of current tax revenues would require an increase in the tax burden (inclusive of social security taxes) to about 300 percent of the amount payable under the 1942 tax law; and, as the tax rates on high incomes are close to 100 percent, those on low incomes would have to be increased still more. Such a multiplication of taxes would dangerously upset the budgets of a great number of taxpayers. Therefore, if a severe disturbance of the financial situation of such persons - unwelcome at any time for social reasons and detrimental to our war effort - is to be avoided, only a part of the war expenditures can be financed through further increase in taxes, and whatever deficit remains after exhausting the means of taxation to the feasible limit must be financed by borrowing.

15/ The U. S. Treasury estimated the net revenues exclusive of refunds at 6.882 million in a full year of operation. Post-war refunds have been estimated at 800 million for the refundable taxes paid in a full year of operation.

## Voluntary and Compulsory Savings

The main problem of wartime Treasury borrowing centers around the question to what extent funds will be obtained from current savings, and to what extent recourse must be had to banks although this recourse will cause a further expansion in the means of payment. Opinions differ with regard to this question, but on the basis of the present rate of national savings, it is in general expected that rather less than 50 percent of the Treasury borrowings in 1943 may be obtained from current savings. Every effort therefore must be made (1) to increase the rate of current savings still further and (2) to obtain the largest part of these savings for war financing.

The efforts made in this direction have been mostly on a voluntary basis. In the Revenue Act of 1942, recourse has also been had to compulsory borrowing by levying the victory tax and the excess profit at a higher rate and providing for the refund of part of it after the war. The post-war refunds to be made on the 1943 and 1944 revenues from these two taxes have been estimated at 500 and 800 million dollars respectively.16/ On the basis of present estimates it appears that not more than 0.6 percent of the Government's expenditures (exclusive of corporation outlays and trust funds) in the current fiscal year, and not more than 0.8 percent in 1944, will be obtained from refundable taxes.

Moreover, the post-war refunds are being made irrespective of whether the taxpayer paid his refundable, and other, taxes out of current income or out of accumulated savings. In other words, the refundable taxes in the Revenue Act of 1942 are a means only for "compulsory borrowing" but not for "compulsory savings." Refundable taxes of the compulsory-borrowing type have, however, a more adverse effect on voluntary savings than outright (nonrefundable) taxes have.17/ Therefore, if recourse should be had to refundable taxes on a large scale, these taxes would have to be chosen and arranged in such a way that the adverse impact on voluntary savings is kept within narrow limits. This might be done best by making refunds only to those taxpayers who during the year for which the tax is paid have not reduced the total volume of their accumulated savings.

It cannot be foreseen to what extent refundable taxes will become an additional source of Treasury financing in this war, but it is improbable that this new device will be used extensively enough to eliminate the need for a further increase in voluntary savings. Increasing the rate of these savings, therefore, will remain one of the most important tasks of war financing.

The war savings campaign is based primarily upon appeals to patriotism. In addition, more and more stress is being put upon appeals to the personal interest which people have in the accumulation of savings. Incentives to savings which have proved effective in the past, such as the need for old age protection and protection of dependents, have retained their importance or have become even more important in this war; and, in spite of

16/ The refunds in question can be absorbed currently if the taxpayer fulfills certain requirements.

17/ In view of the unfavorable effect of "compulsory savings" on the rate of voluntary savings, some economists have suggested reliance on enforcing more savings indirectly by limiting spending possibilities by a system of over-all rationing, which would prevent people from buying consumer goods in excess of available supplies; but within such limits it would leave them more freedom than large-scale enforcement of savings.

# INTEREST-BEARING PUBLIC DEBT, UNITED STATES, 1910-42

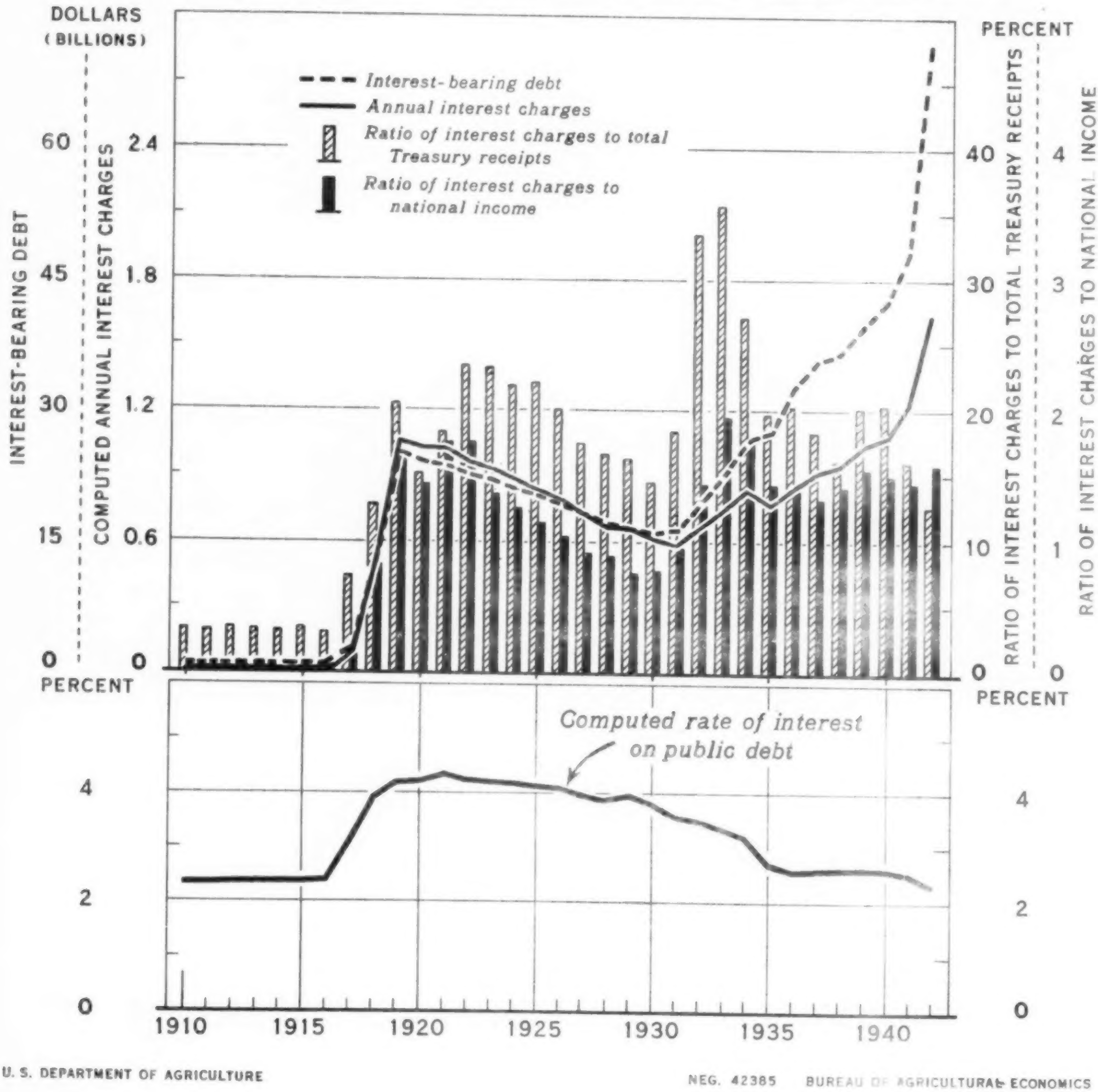



Figure 4

social insurance and government action against unemployment, it is still useful for the individual to accumulate reserves for illness, accident, or changes in his economic and financial situation. Under the conditions of all-out war, attention of the people must also be focused upon the fact that "bidding up" for the reduced supplies of consumer goods will not increase the limited quantities available, but it will necessitate more rationing and will make price control more difficult. On the other hand, those who save will be able to use their savings - after the war and the reconversion to civilian production has been completed - for the purchase of many now unavailable goods in improved qualities.

The betterment of the income situation of farmers has made it possible for them to increase their savings substantially. However, in view of the task of expanding food production, some farmers need most of the funds which they save, or more, for investments on their own farms required to reach production goals set under the Food for Freedom Program. Farmers who do not need to make such investments but are heavily indebted may well use wartime savings to reduce their debts. In addition, farmers should try to accumulate liquid reserves through purchases of war bonds. Liquid financial reserves will be of great value in meeting adversities such as crop failures, illness, or death; in addition, they can be resorted to for education of children, and post-war improvements on the farm, such as replacement of worn-out machinery and implements, or rebuilding and repair of home and outbuildings. For such reasons, the purchase of war bonds must in general be considered as a better investment of wartime savings of farmers than land speculation or other speculative undertakings which encounter the danger of losses during periods of low income and low prices.

In appraising the possibilities of financing a large part of war expenditures out of current savings it must also be borne in mind that the restrictive influence of price controls on costs of living facilitates consumer savings. The curtailment of possibilities for consumer spending by way of rationing and curtailment of investment possibilities operates to a large extent as an indirect enforcement of savings. Increases in taxation have a negative effect on the rate of current savings, because they reduce the amount of income from which such savings may be made; but the revenue derived from new taxes is, in general, substantially larger than a reduction in current savings which they may cause. On the whole, therefore, price controls, allocations, rationing, taxation, and the war savings campaign are measures, each of which has a different purpose in the fight against inflation. To what extent inflation will be kept under control will depend on the adequate combination and the effective carrying out of all these measures.

# HOW TENANT-PURCHASE BORROWERS OF THE FARM SECURITY ADMINISTRATION ARE MEETING THEIR PRINCIPAL AND INTEREST PAYMENTS UNDER A VARIABLE-REPAYMENT PLAN

Paul V. Maris 1/

The Bankhead-Jones Farm Tenant Act, passed by the Congress in 1937, contained a section reading "The Secretary may provide for the payment of any obligation or indebtedness to him under this Act under a system of variable payments under which a surplus above the required payment will be collected in periods of above normal production or prices and employed to reduce payments below the required payment in periods of subnormal production or prices."

This is the most definite and tangible evidence in our time of recognition by Congress that farming as a business is characterized by ups and downs and that debt-paying ability rises and falls correspondingly. However, the following quotation from the code of Hammurabi, King of Babylon about 2250 B. C., suggests that the ancients took into account the ever-shifting fortunes of farmers in developing their credit policy: "If a man owe a debt and storm inundates his field and carry away the produce, or, through lack of water, grain hath not grown in the field, in that year he shall not make any return of grain to the creditor, he shall alter his contract tablet and he shall not pay the interest for that year."

Information is lacking as to how Hammurabi's flexible credit policy worked out 4,000 years ago, but records are now beginning to tell the story of how a similar flexible arrangement is working out currently among tenant-purchase borrowers of the Farm Security Administration. Only a few borrowers obtained loans in 1938. Therefore, only a few had principal and interest payments falling due December 31, 1939. As additional borrowers obtain loans each year, a larger number faced a settlement with Uncle Sam on December 31, 1940, and a still larger number had that experience on December 31, 1941. The biggest payday of all will follow the close of 1942.

Of the years listed above for which returns are in, the year 1941 was exceptionally good; that is, the farmers' debt-paying ability was unusually high. It therefore put to a crucial test the paramount questions related to the workability of a variable-payment plan, viz.: Will borrowers pay more liberally on their farm debts at the end of a good year? No one has ever doubted their willingness to pay little or nothing following a bad year. Let us first consider then the record of variable-payment borrowers for this good year 1941.

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If all tenant-purchase borrowers in the United States operating under the variable-payment plan had paid precisely the amount required annually to amortize their debts over the 40-year loan period, they would have paid in 1941, $2,360,485. However, they paid $3,314,729, which is $954,244 or 40.4 percent more than "schedule." This record of payment of real estate debt was not made by pyramiding non-real-estate debt. Nor were extra payments included in these calculations; that is, payments derived from the sale of mortgaged property, such as timber, gravel, minerals, etc. Extra payments for all borrowers, fixed and variable, were $962,522 in 1941. The payments "ahead of schedule" were derived from ordinary earnings.

The 1941 average for the country as a whole, which is well on the plus side, includes many borrowers whose payments were on the minus side. A study of table 1 shows the record for regions and States.

Region IX, embracing California and a group of southwestern States, has the most favorable record from a percentage standpoint. The number of borrowers in some of those States was few, and the amounts due were small. States in which borrowers in the aggregate paid more than twice their annual installments of principal and interest in 1941 were Arizona, California, North Dakota, Tennessee, Minnesota, Wisconsin, and portions of the States of Oklahoma and Kansas embraced in Farm Security Administration's Region XII. The Territory of Hawaii falls in this group. Incidentally, 20 percent of the Region XII borrowers stood 2 years or more ahead of schedule at the end of the year 1941. That means that if 2 bad years, such as have not been wholly lacking in that country, should strike again, the borrowers making up this 20 percent could pass two annual payments entirely and still be as far along with the retirement of their debts as if they had paid a fixed amount every year, good and bad.

It will be noted that 12 States paid less than the equivalent of 1 year's 4.326 installment in 1941. Among them were Maryland, Ohio, West Virginia, Florida, South Carolina, Louisiana, and Mississippi. Some of these States have at least partial alibis because 1941 was for them a bad crop year. This applies particularly to the States of Mississippi and Louisiana and in both those States prepayments already made in the year 1942 suggest that a considerably better record is in prospect.

The total record for all variable-payment borrowers from the inception of the program down to and including the year 1941 is favorable, however, by a margin of $548,240 or 12.6 percent; under a fixed-payment plan amortizing the debt in 40 years the borrowers would have owed $4,339,602. They paid, exclusive of extra payments, $4,887,842.

It may be stated categorically that the position of the States with respect to the amounts paid in comparison with amounts that would have been due under a fixed schedule is not wholly in keeping with ability to pay. The way in which the variable-payment plan has been administered in the field has had much to do with this outcome. Human nature manifests itself in borrowers' reaction to debt payments in a characteristic manner. The farm supervisor who is the collecting agent for the Farm Security Administration often sympathizes with and is influenced by the borrowers' point of view.

Table 1.- Actual payments on tenant-purchase loans in 1941 by variable-payment borrowers compared with amounts that would have been due under a fixed 4.326 schedule

| Region and State | Actual payments by variable-payment borrowers 1/ | Amount due under 4.326 fixed schedule 2/ | Net amounts greater or less than 4.326 | |
|---|---|---|---|---|
| | Dollars | Dollars | Dollars | Percent |
| United States .. | 3,314,729 | 2,360,485 | 954,244 | 40.4 |
| Region I ....... | 53,428 | 53,379 | 49 | .1 |
| Connecticut .. | 0 | 0 | 0 | .0 |
| Delaware ..... | 285 | 285 | 0 | .0 |
| Maine ......... | 535 | 714 | -179 | -25.1 |
| Maryland ..... | 2,915 | 4,926 | -2,011 | -40.8 |
| Massachusetts | 194 | 380 | -186 | -48.9 |
| New Hampshire | 112 | 158 | -46 | -29.1 |
| New Jersey ... | 1,745 | 1,649 | 96 | 5.8 |
| New York ..... | 18,010 | 18,850 | -840 | -4.4 |
| Pennsylvania . | 27,184 | 23,862 | 3,322 | 13.9 |
| Rhode Island . | 300 | 192 | 108 | 56.2 |
| Vermont ...... | 2,148 | 2,363 | -215 | -9.1 |
| Region II ...... | 255,916 | 131,590 | 124,326 | 94.5 |
| Michigan ..... | 43,065 | 28,942 | 14,123 | 48.8 |
| Minnesota .... | 164,868 | 79,671 | 85,197 | 106.9 |
| Wisconsin .... | 47,983 | 22,977 | 25,006 | 108.8 |
| Region III ..... | 412,213 | 289,708 | 122,505 | 42.3 |
| Illinois ..... | 117,160 | 77,894 | 39,266 | 50.4 |
| Indiana ...... | 92,002 | 56,319 | 35,683 | 63.4 |
| Iowa ......... | 37,755 | 20,450 | 17,305 | 84.6 |
| Missouri ..... | 142,906 | 112,117 | 30,789 | 27.5 |
| Ohio ......... | 22,390 | 22,928 | -538 | -2.3 |
| Region IV ...... | 528,919 | 347,047 | 181,872 | 52.4 |
| Kentucky ..... | 116,317 | 74,854 | 41,463 | 55.4 |
| North Carolina | 137,895 | 105,646 | 32,249 | 30.5 |
| Tennessee .... | 177,223 | 79,267 | 97,956 | 123.6 |
| Virginia ..... | 74,219 | 62,878 | 11,341 | 18.0 |
| West Virginia | 23,265 | 24,402 | -1,137 | -4.6 |
| Region V ....... | 520,734 | 479,433 | 41,301 | 8.6 |
| Alabama ...... | 210,736 | 184,230 | 26,506 | 14.4 |
| Florida ...... | 17,066 | 20,893 | -3,827 | -18.3 |
| Georgia ...... | 196,277 | 174,646 | 21,631 | 12.4 |
| South Carolina | 96,655 | 99,664 | -3,009 | -3.0 |
| Region VI ...... | 236,495 | 253,448 | -16,953 | -6.7 |
| Arkansas ..... | 104,727 | 85,618 | 19,109 | 22.3 |
| Louisiana .... | 36,394 | 51,654 | -15,260 | -29.5 |
| Mississippi .. | 95,374 | 116,176 | -20,802 | -17.9 |

Continued

Table 1.- Actual payments on tenant-purchase loans in 1941 by variable-payment borrowers compared with amounts that would have been due under a fixed 4.326 schedule - Continued

| Region and State | Actual payments by variable-payment borrowers 1/ | Amount due under 4.326 fixed schedule 2/ | Net amounts greater or less than 4.326 | |
|---|---|---|---|---|
| | Dollars | Dollars | Dollars | Percent |
| Region VII ..... | 493,725 | 279,883 | 213,842 | 76.4 |
| Kansas ....... | 140,428 | 96,899 | 43,529 | 44.9 |
| Nebraska ..... | 152,297 | 87,456 | 64,841 | 74.1 |
| North Dakota . | 114,563 | 42,753 | 71,810 | 168.0 |
| South Dakota . | 86,437 | 52,775 | 33,662 | 63.8 |
| Region VIII .... | 490,713 | 355,724 | 134,989 | 37.9 |
| Oklahoma ..... | 133,242 | 116,613 | 16,629 | 14.3 |
| Texas ........ | 357,471 | 239,111 | 118,360 | 49.5 |
| Region IX ...... | 88,959 | 26,507 | 62,452 | 235.6 |
| Arizona ...... | 3,257 | 1,169 | 2,088 | 178.6 |
| California ... | 43,082 | 9,731 | 33,351 | 342.7 |
| Nevada ....... | 353 | 0 | 353 | .0 |
| Hawaii ....... | 36,525 | 12,013 | 24,512 | 204.0 |
| Utah ......... | 5,742 | 3,594 | 2,148 | 59.8 |
| Region X ....... | 59,890 | 42,065 | 17,825 | 42.4 |
| Colorado ..... | 31,066 | 23,956 | 7,110 | 29.7 |
| Montana ...... | 24,893 | 15,587 | 9,306 | 59.7 |
| Wyoming ...... | 3,931 | 2,522 | 1,409 | 55.9 |
| Region XI ...... | 48,201 | 36,813 | 11,388 | 30.9 |
| Idaho ........ | 25,116 | 14,115 | 11,001 | 77.9 |
| Oregon ....... | 12,793 | 12,583 | 210 | 1.7 |
| Washington ... | 10,292 | 10,115 | 177 | 1.7 |
| Region XII ..... | 125,536 | 64,888 | 60,648 | 93.5 |
| Colorado ..... | 16,008 | 9,269 | 6,739 | 72.7 |
| Kansas ....... | 17,167 | 6,517 | 10,650 | 163.4 |
| New Mexico ... | 14,937 | 8,729 | 6,208 | 71.1 |
| Oklahoma ..... | 8,287 | 1,402 | 6,885 | 491.1 |
| Texas ........ | 69,137 | 38,971 | 30,166 | 77.4 |
| Region XIII .... | 0 | 0 | 0 | .0 |
| Puerto Rico .. | 0 | 0 | 0 | .0 |

1/ All tenant-purchase collections from variable-payment borrowers except refunds on loans, proceeds from sale or lease of mortgaged property, and payments in full or repossessed farms.
2/ Amounts which would have matured on all tenant-purchase loans held by variable-payment borrowers which would retire the loan in 40 years at 3 percent interest.

To begin with, tenant-purchase borrowers are so greatly in need of better tools, equipment, livestock, clothing, household furniture, etc., that there is an almost overpowering impulse to use money available to correct these deficiencies rather than to pay ahead of schedule on the tenant-purchase debts. In a certain county, for example, there were 22 tenant-purchase borrowers who estimated that they would have gross incomes totaling $29,000 in 1941. They actually had incomes totaling $47,709. They did not, as might be assumed, see the wisdom of transferring to the variable-payment plan and applying at least a portion of their extra earnings to getting ahead of schedule on their tenant-purchase loans.

Contrast this with the case of a group of borrowers in another county who planned at the beginning of the year to pay $4,421 in 1941 on their tenant-purchase debts. Income exceeded expectations and they actually paid $20,111. They were variable-payment borrowers and in the aggregate they built up a $15,680 margin of safety on their real estate debts in a single year.

Farm Security Administration tabulated quite complete data on 13,942 borrowers at the end of 1941. The farm plans made at the beginning of the year for these borrowers contemplated an average gross income per borrower of $1,642. The actual income was $2,031 or 24 percent above the estimates. The farm-operating expenses were 28 percent greater than the estimates and the cash family living expenses were 21 percent greater than the estimates. As the year 1941 was a year of rising prices neither of these increases can be considered much out of line.

The significant fact, however, is that the borrowers increased their capital expenditures 91 percent over the amounts planned for such purposes. In this figure is involved the human element upon which the success or failure of the variable-payment plan rests. It must be remembered, of course, that desirable and justifiable alterations in farm and home plans are authorized at any time to meet changing conditions. If this were not so, plans would be intolerable "straight jackets" inviting either violation or rebellion among borrowers. In speaking of increased capital expenditures, I am speaking in general of expenditures that should, in keeping with the spirit of the variable-payment plan, have been discussed and authorized before they were made.

The figures quoted up to this point relate to variable-payment borrowers only. The actual payments of principal and interest of all tenant-purchase borrowers, fixed and variable, up to December 31, 1941, amounted to $8,153,380. This is $640,045 or 8.5 percent ahead of what would have been paid by all borrowers at the annual amortization rate of 4.326. In other words, all borrowers disregarding $1,633,536 of extra payments were 8.5 percent ahead of schedule. The 1941 record for all borrowers, including fixed and variable, was the payment of $5,090,412 principal and interest, which was $1,034,872 ahead of schedule, or 25.5 percent. When the non-real-estate as well as the real estate payments are taken into account $10,092,100 was due to be paid against all these debts. Delinquencies which were more than offset by the payments ahead of schedule by nondelinquent borrowers amounted to $532,530 or 5.3 percent.

As the extra payments are large, a word of comment about them may be appropriate. They include refunds on unused portions of loans. They also include proceeds from sales of mortgaged property, and extra payments made out of income by fixed-payment borrowers who enjoy no offsets against future amounts due even when they make these extra payments. In other words, if a borrower desires to avail himself of the benefits of the variable-payment arrangement, he is also required to accept the obligations. The fixed-payment borrowers accept no obligations to pay more in good years; their scheduled amounts are not reduced in bad years.

Let us turn now from the statistical record and consider what the Farm Security Administration variable-payment plan is in some detail and what some of the significant problems are that have arisen in working it out:

The plan contemplates that net cash income above family-living and farm-operating expenses and chattel depreciation offset shall be applied to debt retirement. Repair and maintenance of buildings, taxes, insurance, etc., are all classed as allowable farm-operating expenses. Such a net cash income plan is made possible by the fact that each tenant-purchase borrower keeps a family record book in which the income from all sources and family-living, farm-operating, and other expenses are recorded. If the borrower has no cash income after meeting family-living and farm-operating expenses as above defined, he makes no payment whatsoever on his tenant-purchase debt. This suggests that borrowers need to keep their family-living and farm-operating expenses within reasonable bounds. In the absence of careful planning, the family income might be "lived up," leaving little or nothing for debt retirement.

The farm and home plan prepared with the family sets up reasonable allowances for family living and farm operations. An income and expense report is submitted at the end of the year by each borrower. Reasonable deviations from the planned expenditures are, of course, allowed, but unreasonable expenditures are not allowed, and each borrower is fully advised with respect to this policy. If he spends his income for unplanned purposes, he may be billed for the amount he could have paid if he had not made the unauthorized expenditures.

The county supervisor of the Farm Security Administration checks over the borrower's annual income return and determines what the annual payment should be. In case of dispute between the borrower and the supervisor as to this amount, the tenant-purchase county committee, consisting of three farmers, is called in for consultation and they file their recommendations with the regional director of the Farm Security Administration who determines what the payment shall be. Disputes have very seldom arisen. The facts in the case are that borrower and creditor are working together to achieve a common purpose which is distinctly in the borrower's interest.

In its instruction on the variable-payment plan, the Farm Security Administration states its basic policy in these words: "In carrying out the provisions of a variable payment plan it is not the intention of the Farm Security Administration to deprive any borrower of the privilege of

utilizing the full period agreed upon for the retirement of his debt. On the contrary the aim is merely to assist the borrower in creating a margin of safety to protect his loan at all times against delinquency." An effort is made to get two payments ahead as quickly as possible; that is, as quickly as possible consistent with good husbandry, attaining Food for Freedom goals, and maintaining acceptable standards of living. After the 2-year margin of safety is attained, the check on the borrower's expenditures for family living and farm operating is greatly relaxed.

Until July 1, 1941, each borrower obtaining a tenant-purchase loan was permitted to choose between a fixed and a variable plan of repayment. While the optional arrangement prevailed about half chose the fixed-payment plan and half chose the variable-payment plan.

By 1941, evidences were overwhelming that borrowers needed the benefits of a flexible repayment schedule. Therefore, all borrowers obtaining loans after July 1, 1941, have been required to sign the variable-payment agreement.

Experience has demonstrated the necessity of a rather definite formula for determining how the borrower's income which remains after family-living and farm-operating expenses have been met should be distributed as between building up operating capital, repayment of chattel debts, repayment of real estate debts, and expanding operations through the purchase of livestock, tools, equipment, etc.

The figures quoted earlier show strong tendencies to use the surplus income for capital investments. It is easy to understand this tendency. The grain farmer feels that if he has a combine harvester he will be in a much better position to operate for all his remaining years. A dairyman feels that by investing in a milking machine he can reduce his labor costs. It is hard for any borrower to pay his tenant-purchase principal and interest installment in January when he needs money with which to make a crop in March or April. True, he may have been in the habit of operating on borrowed capital in the past, but he just hates to apply money in hand toward the payment of a real estate debt and then turn around in a few weeks and borrow operating capital. Of course, if a borrower should defer his real estate debt payments until all other wants are fully satisfied, a variable-payment plan simply would not work. So there must be some rules for resolving these conflicting interests.

Not only borrowers but supervisors who represent the Farm Security Administration are in need of principles to guide them in making wise decisions on questions of this character.

The Farm Security Administration has therefore issued instructions designed to clarify its collection policy. In a general way they establish collection priorities; that is, they tell what comes first and what comes next in debt-paying obligations. This is done with the very explicit understanding that no formula can be a substitute for the exercise of sound judgment in dealing with these perplexing questions of money management. The following are pertinent paragraphs from the Farm Security Administration instruction on this subject:

"For variable payment borrowers, income remaining after family living and farm operating expenses have been met should be applied:

(1) First, to pay annual installments on chattel or other old debts, including agreed payments on adjusted debts. Such installments should be adjusted reasonably to cover the useful life of the chattels. If the current installment on old debts is less than the estimated amount of chattel depreciation, an expenditure for new chattels, if needed, in an amount sufficient to make the combined outlay for old debts and new chattels roughly equivalent to chattel depreciation may be allowed. If there are no chattel or other old debts, an expenditure for new chattels, if needed, roughly equivalent to chattel depreciation may be allowed.

(2) Second, to pay the scheduled annual installments of principal and interest on real estate debt or to bring the borrower up to schedule when he is behind schedule on such debts.

(3) Third, the remaining income should go to--

(a) get the borrower ahead of schedule on his real estate debt; or

(b) speed up the retirement of the chattel or other old debts; or

(c) build up cash operating capital so that less money will have to be borrowed for this purpose; or

(d) buy war bonds or make capital investments necessary to increase food production or that will result in sound and justifiable expansion of operations or improve living conditions."

"Since the payment of the annual installment of principal and interest on the real estate debt is last in the priority of fixed current debt obligations, it will naturally be the unpaid debt when there is not enough income to meet all fixed debt obligations. The real estate debt, therefore, under the variable payment plan, should be the first to benefit when income exceeds the amount required to meet approved family living and farm operating expenses plus other fixed annual debt obligations. The aim should be to work toward getting and maintaining the real estate debt at least two years ahead of schedule by larger payments in good years. This may be done in a single very good year or in three or four somewhat better than average years."

Before the reader of the above instructions can interpret them correctly it is necessary to bear in mind the fact that the collection policy dovetails in with the Farm and Home Management Plan, in which adequate provision is made for operating the farm to its maximum capacity, with stress placed upon war necessities. Necessary family-living and farm-operating expenses come first. In the long run this is thought to be a sound collection policy.

The reader may be impressed in these wartimes by the low position which the purchase of war bonds occupies in the priority list. It appears, however, in the first general category after scheduled debt payments are made. This is in harmony with the general theory that meeting scheduled debt obligations is a first lien on income and that purchase of war bonds is a first lien on savings. The above formula is applied to borrowers who owe a debt to the Federal Government. When payments on this debt are made as scheduled they go into the Government's treasury and serve as good a purpose as income derived from the sale of war stamps and bonds. The borrower can, however, under the above formula, buy war savings stamps and war bonds as well as meet his fixed debt obligations.

The year 1942 promises to be the present generation's all-time high in debt-paying ability. Farm Security Administration is hoping for and expecting larger payments ahead of schedule in 1942 than in 1941. If the goals are reached according to present prospects, the fact that farm purchasers can, under the variable-payment arrangement, build up a margin of safety that will tide them over bad years and prevent their loans from getting in arrears will have been demonstrated.

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War damage insurance.- Since July 1, 1942, farmers may, at a small cost, insure their farm properties against loss or damage resulting from enemy attack or from action by our own military forces in resisting attack. The coverage, which is purely voluntary, may be obtained through insurance companies or their agents which are authorized to act for the War Damage Corporation. A farmer may insure his property and buildings (and their contents) for 10 cents per $100 or insure his crops and orchards for 5 cents per $100. A minimum premium of $3 per policy applies to farm property insured for less than $3,000 and to crops and orchards insured for less than $6,000. If he elects coverage under both policies, there is a minimum charge of $6. The agent who completed the application is allowed 5 percent of the premium payment, with a minimum fee of $1 per policy. An additional 3½ percent goes to the company which issued the policy, with a minimum fee of 50 cents per policy. Several crops maturing at the same time or at different times, may be covered under one policy, but the maximum term of one policy is 1 year. A farmer may take any amount of insurance up to the full value of his property or crops. In case of a loss or damage, he need not bear a part of the loss himself. In case of a loss due to damage, the farmer will file a claim with his insurance company which through its claim adjustment business will investigate the claim and report to the War Damage Corporation for payment or further investigation.

## FARM-MORTGAGE DEBT CONTINUES TO DECLINE DURING 1941

Farm-mortgage debt for the United States as a whole continued to decline during the calendar year 1941 and reached the lowest level for any year since 1918. The total as of January 1, 1942 is estimated to be $6,713,835,000, or $110,291,000 below the total at the beginning of 1941 (table 1). Loans on farm real estate outstanding at the beginning of 1942 were only about 78 percent of the amount held at the beginning of 1933 and about 62 percent of the peak amount on January 1, 1923.

The greatest decline in farm-mortgage debt during 1941 occurred in the North Central States, the Mountain States, and the South Atlantic States where debt reduction was 2 percent or more of the amount outstanding at the beginning of 1941 (appendix table 5). In several States - North Dakota, Kansas, Wyoming, and Tennessee - debt reduction exceeded 4 percent of the amount outstanding at the beginning of 1941.

A further small increase in farm-mortgage debt occurred in the New England States, the rise being only 0.6 percent as compared with an increase of 1.4 percent in 1940. Individual States showing increases of 2 percent or more were New Hampshire, Delaware, and Connecticut.

Among the factors contributing toward debt reduction in 1941, principal repayments continued to be the most important, showing a substantial increase over the previous year. For instance, the Federal land banks and the Federal Farm Mortgage Corporation reported repayments amounting to $128,704,000 and $76,373,000 respectively, representing an increase over the preceding year of 32.1 percent and 24.8 percent. The improved income position of the farmer undoubtedly has been reflected in increased payments to other lenders also. Continued low interest rates have contributed somewhat to the ability of the farmer to repay debts, although these same low rates may also have provided an incentive for some farmers to increase their debts (fig. 1). Forced sales and related defaults have continued to decline with a corresponding decrease in their importance as a factor in debt reduction. For the year ended March 15, 1942, they were estimated to be 9.3 per 1,000 farms as compared with 13.9 per 1,000 for the previous year. Farm-debt adjustment likewise had less influence on the trend of farm-mortgage indebtedness than in previous years.

Certain factors tending to increase farm-mortgage debt were more active during 1941 than in the previous year, but were not substantial enough to offset the factors tending to decrease the total debt. Increased activity in land transfers was reflected in loans closed and mortgages recorded by principal lender groups. Total recordings amounted to $834,000,000 in 1941 as compared with $772,500,000 in 1940. Voluntary sales and trades of farms for the 12 months ended March 15, 1942 were estimated to be 41.7 per 1,000 of all farms as compared with the 1941 figure of 34.1 per 1,000. This

increased activity was also reflected in land values which increased 7 percent during the 12 months ended March 1, 1942. Farm real estate inventories of the principal lending agencies decreased considerably during 1941 as the volume of sales increased. The Federal land banks and the Federal Farm Mortgage Corporation reduced their combined real estate holdings 31.6 percent and life insurance companied reduced theirs 11.3 percent. Thus, the farm real estate held by these agencies, the acquisition of which had previously reduced farm debts, again was replaced in many cases by farm mortgages.

The combined farm-mortgage holdings of the Federal land banks and the Land Bank Commissioner amounted to $2,350,346,000, or approximately 35 percent of the total farm-mortgage debt on January 1, 1942 (table 1). The amount held by these agencies was approximately 6 percent under the previous year and accounted for much of the reduction of the total debt during 1941. Loans of the Federal land banks accounted for about three-fourths of the total loans of these agencies. Mortgage loans held by the Federal land banks amounted to $1,755,233,000 on January 1, 1942 as compared with $1,841,-572,000 at the beginning of 1941, a decrease of approximately 5 percent. Farm-mortgage loans held by the Federal Farm Mortgage Corporation were reduced almost 8 percent from $646,660,000 on January 1, 1941 to $595,112,000 on January 1, 1942.

A decrease of 1.5 percent occurred in the farm-mortgage investments of insured commercial banks during 1941 after showing increases in each year since 1936. These investments on January 1, 1942 were $535,212,000 as compared with $543,408,000 at the beginning of 1941, and represented approximately 8 percent of the total farm-mortgage debt.

The joint stock land banks continued to reduce their loan accounts as liquidation of these organizations has progressed. As in earlier years, the liquidation process has involved some transfers of loans to other lending agencies. During 1941 their holdings decreased approximately 31 percent and on January 1, 1942 amounted to only $33,441,000, or less than 1 percent of the total farm-mortgage debt. By January 1, 1941 liquidation of their farm-mortgage loans had been completed in five States and during 1942 liquidation was completed in three additional States. A miscellaneous group of lenders classified as "others" also reported a slight decrease in their farm-mortgage portfolios during 1941. In addition to individual lenders, this group includes mortgage companies, State credit agencies, and miscellaneous lenders. The State credit agencies of North Dakota, South Dakota, and Minnesota, combined, showed a net decrease in their farm-debt holdings; however, the Rural Credit Board of South Dakota reported an increase as a result of purchase-money mortgages acquired in the disposal of their farm real estate inventories.

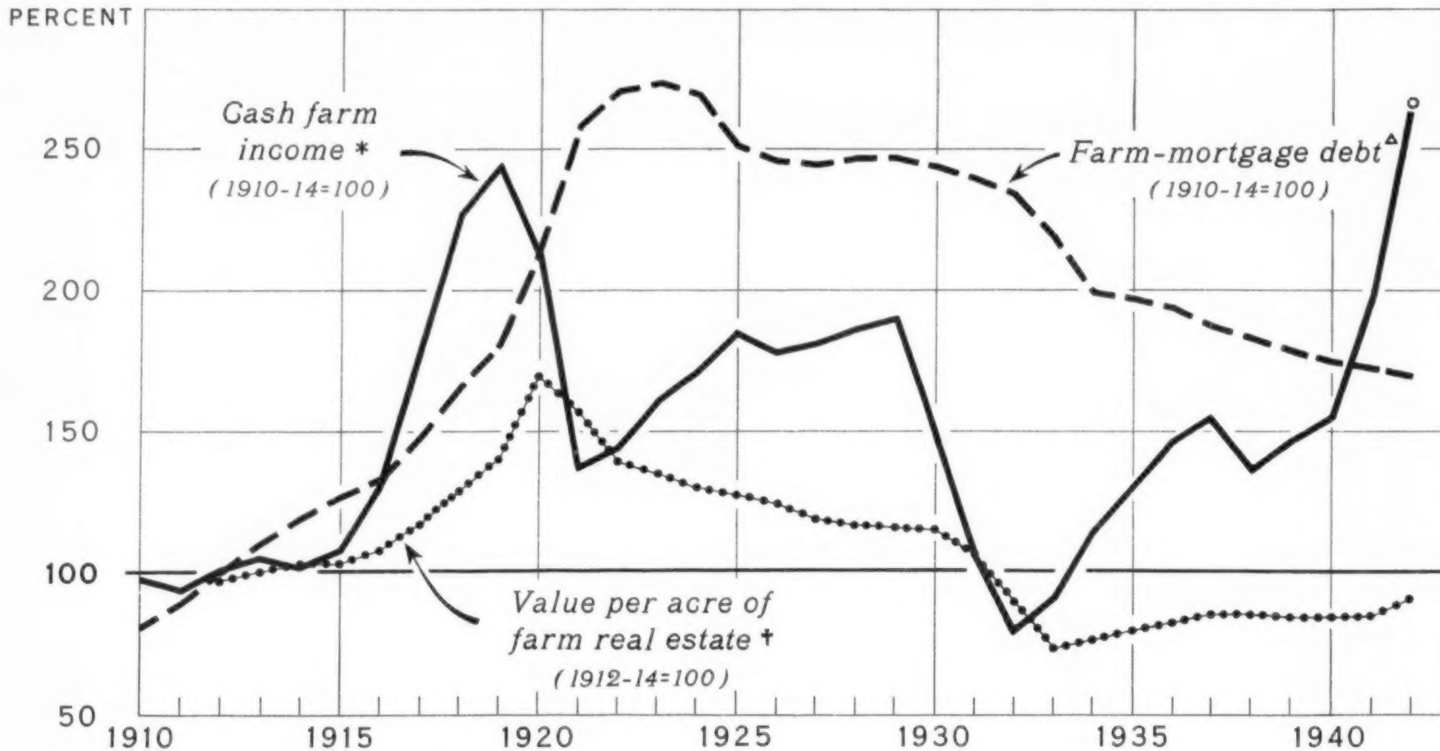
For the second successive year, life insurance companies increased their investment in farm mortgages. On January 1, 1942 this lender group held 13.5 percent of the total farm-mortgage debt, or $907,141,000, the largest amount since January 1, 1937. Approximately three-fourths of the mortgage debt held by these companies was located in the North Central States. Insurance companies increased their farm-mortgage holdings in all geographical areas except the East South Central and Pacific areas, where slight decreases occurred.

Table 1.- Total farm-mortgage debt and amounts held by selected lender groups, United States, January 1, for selected years, 1910-42 1/

| Year | Total farm-mortgage debt | Federal land bank and Land Bank Commissioner | Joint stock land banks 2/ | Life insurance companies | Banks 3/ | Farm Security Administration 4/ | Others 5/ |
|---|---|---|---|---|---|---|---|
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| 1910 | 3,207,863 | | | 386,961 | 406,248 | | 2,414,654 |
| 1915 | 4,990,785 | | | 669,984 | 746,111 | | 3,574,690 |
| 1920 | 8,448,772 | 296,386 | 60,038 | 974,826 | 1,204,383 | | 5,913,139 |
| 1925 | 9,912,650 | 923,077 | 446,429 | 1,942,624 | 1,200,456 | | 5,400,064 |
| 1930 | 3,630,768 | 1,185,765 | 626,980 | 2,105,477 | 997,468 | | 4,715,078 |
| 1935 | 7,785,971 | 2,501,824 | 255,931 | 1,258,900 | 498,842 | | 3,270,474 |
| 1936 | 7,638,867 | 2,853,966 | 175,677 | 1,054,770 | 487,505 | | 3,066,949 |
| 1937 | 7,389,797 | 2,888,912 | 133,499 | 936,454 | 487,534 | | 2,943,398 |
| 1938 | 7,214,138 | 2,835,962 | 104,163 | 895,470 | 501,450 | 3,615 | 2,873,478 |
| 1939 | 7,070,896 | 2,723,022 | 87,362 | 887,336 | 519,276 | 15,169 | 2,838,731 |
| 1940 | 6,909,794 | 2,583,901 | 65,719 | 883,414 | 534,170 | 38,565 | 2,804,025 |
| 1941 | 6,824,126 | 2,488,232 | 48,766 | 890,516 | 543,408 | 72,538 | 2,780,666 |
| 1942 | 6,713,835 | 2,350,346 | 33,441 | 907,141 | 535,212 | 119,811 | 2,767,884 |

1/ Excludes Territories and possessions.
2/ Includes joint stock land banks in receivership.
3/ 1935-42, insured commercial banks; prior to 1935, open State and national banks.
4/ Includes loans for construction of farmstead improvements and tenant purchase and development.
5/ Includes individuals, State credit agencies, mortgage companies, and other miscellaneous lenders.

CASH FARM INCOME, FARM-MORTGAGE DEBT, AND VALUE PER ACRE OF FARM REAL ESTATE, INDEX NUMBERS, UNITED STATES, 1910-42




* CALENDAR YEAR, INCLUDING GOVERNMENT PAYMENTS
△ JANUARY 1 † MARCH 1 ○ PRELIMINARY

U. S. DEPARTMENT OF AGRICULTURE NEG. 38014 BUREAU OF AGRICULTURAL ECONOMICS

FIGURE 1

Farm-mortgage loans by the Farm Security Administration expanded substantially during 1941, the increase amounting to more than 65 percent of the amount outstanding at the beginning of the year. On January 1, 1942 these mortgage loans totaled $119,811,000. Farm real estate loans made by this organization were largely tenant-purchase and development loans, but the figures also include loans made for the construction of farmstead improvements.

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## FARM REAL ESTATE HOLDINGS OF LENDING AGENCIES SHOW SUBSTANTIAL REDUCTION DURING 1941

Increased sales combined with reduced acquirements during 1941 resulted in a substantial net reduction in the farm real estate inventories of the principal lending agencies. The book value of their farm real estate holdings amounted to $791,081,000 on January 1, 1942 as compared with $938,-225,000 a year earlier, a reduction of almost 16 percent (table 1). During 1940 the decrease was only 7 percent.

Life insurance companies continued to be the most important single holder of farm real estate. On January 1, 1942 it is estimated that their investment in farms totaled $597,796,000, or approximately 11 percent less than at the beginning of 1941. The reduction from their peak holdings on January 1, 1937 was approximately 16 percent. In comparing the book value of farm real estate held by life insurance companies with that of other lending agencies, it should be kept in mind that the insurance company figures include the book value of farms sold under contract of sale. No complete data are available as to the amount of these contracts, but information for some of the larger companies indicates that on January 1, 1942 about one-fifth of their farm real estate holdings consisted of farms already sold under contract. This proportion compares with about one-eighth on January 1, 1939 and about one-twelfth at the beginning of 1935.

The combined investment in acquired farm real estate by the Federal land banks and the Federal Farm Mortgage Corporation (excluding contracts) amounted to $91,816,000 on January 1, 1942. This is $42,364,000 less than their investment a year previous, a decrease of 31.6 percent. The Federal land banks' investment in farm real estate amounted to $73,599,767 on January 1, 1942 as compared with $109,066,459 a year earlier. During 1941, 12,473 farms (in whole and part) were disposed of by the Federal land banks as compared with 11,170 during 1940. Only 14,578 farms and sheriffs' certificates were held at the end of 1941 as compared with 21,337 held at the end of 1940. The Federal Farm Mortgage Corporation had an investment of $18,216,702 in 5,204 farms and sheriffs' certificates at the end of 1941 as compared with $25,113,358 in 7,503 farms and sheriffs' certificates a year earlier.

Joint stock land banks (in liquidation) reduced their farm real estate inventories 30.5 percent from the amount held at the beginning of 1941. The investment on January 1, 1942 amounted to $25,130,000 as compared with $36,172,000 a year earlier. The peak investment in farm real estate by joint stock land banks was reached in 1934 when the investment amounted to $85,740,000. Farm real estate held by insured commercial banks declined 31.6 percent during 1941, the investment decreasing from $33,373,000 on January 1, 1941 to $22,841,000 on January 1, 1942. Since data on farm real estate holdings of commercial banks became available in 1936 a decrease has occurred during each year.

The three State credit agencies - Department of Rural Credit of Minnesota, Bank of North Dakota, and Rural Credit Board of South Dakota - as a group, continued to reduce their farm real estate inventories during 1941. One of the agencies, the Bank of North Dakota, however, increased its investment in farm real estate during the year.

Table 1.- Acquired farm real estate held by selected lending agencies, agencies, January 1, 1930-42

| Year | Federal land banks and Federal Farm Mortgage Corporation 1/ | Life insurance companies 2/ | Joint stock land banks 3/ | Insured commercial banks 4/ | Three State credit agencies 5/ |
|---|---|---|---|---|---|
| | 1,000 dol. | 1,000 dol. | 1,000 dol. | 1,000 dol. | 1,000 dol. |
| 1930 | 29,517 | 120,020 | 19,685 | 6/ | 26,860 |
| 1931 | 36,865 | 151,229 | 22,202 | 6/ | 33,511 |
| 1932 | 53,588 | 219,947 | 37,957 | 6/ | 39,008 |
| 1933 | 83,158 | 316,931 | 71,741 | 6/ | 47,454 |
| 1934 | 96,632 | 465,072 | 85,740 | 6/ | 56,094 |
| 1935 | 96,666 | 600,873 | 81,700 | 6/ | 60,270 |
| 1936 | 119,864 | 646,280 | 78,204 | 7/ 74,166 | 61,531 |
| 1937 | 134,754 | 713,166 | 72,781 | 69,525 | 68,444 |
| 1938 | 132,038 | 705,207 | 62,030 | 56,311 | 72,040 |
| 1939 | 139,229 | 702,861 | 53,885 | 49,143 | 71,846 |
| 1940 | 155,237 | 700,530 | 46,827 | 42,045 | 68,324 |
| 1941 | 134,180 | 673,600 | 36,172 | 33,373 | 8/ 60,900 |
| 1942 | 91,816 | 597,796 | 25,130 | 22,841 | 53,498 |

1/ Investment. Includes sheriffs' certificates and judgments, but excludes prior liens. Excludes Puerto Rico.
2/ Investment - partially estimated. Includes farm real estate sold under contract of sale.
3/ Carrying value. Includes sheriffs' certificates and judgments. Real estate held by banks in receivership included at book value.
4/ Book value.
5/ Investment. Department of Rural Credit of Minnesota, Bank of North Dakota, and Rural Credit Board of South Dakota.
6/ Data unavailable. 7/ June 30. 8/ Revised.

## FARM-MORTGAGE RECORDINGS SHOW SLIGHT DECLINE

Farm-mortgage recordings of all lenders during the first 6 months of 1942 were $446,900,000 as compared with $452,800,000 in the same period of 1941, according to estimates by the Farm Credit Administration (table 1). This decrease of $5,900,000 was the first to occur since the first 6 months of 1939 when mortgage recordings were $2,800,000 smaller than in the first half of 1938. Slightly more than one-half of the total amount of farm mortgages placed on record during the first 6 months of 1942 were recorded in the North Central States and approximately one-fifth in the South Central States.

Loans closed by the Federal land banks and the Land Bank Commissioner in the first half of 1942 amounted to $53,900,000, which is a decrease of approximately 10 percent from the total for the first half of 1941. Approximately two-thirds of this amount represented loans closed by the Federal land banks. Farm mortgages recorded by commercial banks also declined about 10 percent; for the first 6 months of 1942 their recordings totaled $108,300,000 as compared with $119,100,000 during the same months of 1941.

Increases in farm-mortgage recordings occurred in the case of three lender groups. Life insurance companies showed the greatest increase with approximately 5 percent more recordings in the first half of 1942 than in the same period of 1941. Total recordings by life insurance companies for the first 6 months of the year have increased each year since 1934; for the first half of 1942 their recordings amounted to $97,300,000 compared with only $20,800,000 for the first half of 1934. Individuals increased their recordings 3.3 percent, having recorded $135,600,000 in the first 6 months of 1942 as compared with $131,100,000 for the same period in 1941. Miscellaneous lenders recorded mortgages amounting to $51,800,000 during the first half of 1942, which is a 3.2 percent increase over recordings in the comparable period of 1941.

In recent years each lender group has remained in approximately the same relative position with respect to the volume of its mortgage recordings. For the first half of 1942, individuals recorded 30 percent of the total recordings, whereas commercial banks accounted for 24 percent, insurance companies 22 percent, Federal land banks and the Land Bank Commissioner 12 percent, and miscellaneous lenders 12 percent. Since 1938 only small changes have occurred in the percentage distribution of mortgages recorded by lender groups. In the first half of 1938 individuals accounted for approximately 33 percent of the total recordings, commercial banks 28 percent, insurance companies 19 percent, Federal land banks and Land Bank Commissioner 12 percent, and miscellaneous lenders 8 percent.

In comparing the relative importance of a lender group in one year with another year, it should be kept in mind that a small shift in the proportion of all recordings accounted for by that lender does not necessarily

indicate that there has been little or no change in the absolute amount. In years in which total recordings of all lenders increase, for instance, any lender group may account for a smaller proportion even though it has increased the absolute amount of its recordings. Also the volume of mortgages recorded does not necessarily reflect the amount of mortgages held by a lender group. Some lenders, such as banks and individuals, make loans for short terms of years and consequently a large proportion of the mortgages they record are renewals of existing loans. Banks, for example, recorded approximately 25 percent of the mortgages placed on record during the first half of 1942; whereas, on January 1, 1942 they held less than 10 percent of the total debt outstanding. On the other hand, Federal land banks and the Land Bank Commissioner recorded only 12 percent of the mortgages; but held 35 percent of the total debt outstanding.

Table 1.- Amount of Federal land bank and Land Bank Commissioner loans closed, and estimated amount of farm mortgages recorded by other lenders, by 6-month periods, 1934-42

| Year and period | Loans closed 1/ | | Estimated amount of mortgages recorded 2/ | | | | | Total all lenders |
|---|---|---|---|---|---|---|---|---|
| | Federal land banks | Land Bank Commissioner | Individuals | Commercial banks | Insurance companies | Miscellaneous | Total | |
| | Million dollars | Million dollars | Million dollars | Million dollars | Million dollars | Million dollars | Million dollars | Million dollars |
| 1934 | | | | | | | | |
| Jan.-June | 433.0 | 309.9 | 115.8 | 56.6 | 20.8 | 45.1 | 238.3 | 981.2 |
| July-Dec. | 297.1 | 243.1 | 103.8 | 54.3 | 24.9 | 35.7 | 218.7 | 758.9 |
| 1935 | | | | | | | | |
| Jan.-June | 151.8 | 125.0 | 141.3 | 85.0 | 37.6 | 36.7 | 300.6 | 577.4 |
| July-Dec. | 95.8 | 70.9 | 116.5 | 79.9 | 38.8 | 35.0 | 270.2 | 436.9 |
| 1936 | | | | | | | | |
| Jan.-June | 67.9 | 48.1 | 134.9 | 94.0 | 56.6 | 36.2 | 321.7 | 437.7 |
| July-Dec. | 40.7 | 28.8 | 120.4 | 92.1 | 58.5 | 24.2 | 295.2 | 364.7 |
| 1937 | | | | | | | | |
| Jan.-June | 36.3 | 23.4 | 145.3 | 116.7 | 69.4 | 27.1 | 358.5 | 418.2 |
| July-Dec. | 26.5 | 16.3 | 117.6 | 96.1 | 58.8 | 24.2 | 296.7 | 339.5 |
| 1938 | | | | | | | | |
| Jan.-June | 28.9 | 16.8 | 131.7 | 108.9 | 74.5 | 30.8 | 345.9 | 391.6 |
| July-Dec. | 22.4 | 12.3 | 102.4 | 101.1 | 62.9 | 30.5 | 296.9 | 331.6 |
| 1939 | | | | | | | | |
| Jan.-June | 28.6 | 15.3 | 122.1 | 112.5 | 74.5 | 35.8 | 344.9 | 388.8 |
| July-Dec. | 22.9 | 11.9 | 104.6 | 105.3 | 63.5 | 32.0 | 305.4 | 340.2 |
| 1940 | | | | | | | | |
| Jan.-June | 32.8 | 18.2 | 119.5 | 116.3 | 86.0 | 40.8 | 362.6 | 413.6 |
| July-Dec. | 31.1 | 18.2 | 106.1 | 103.6 | 59.5 | 40.4 | 309.6 | 358.9 |
| 1941 | | | | | | | | |
| Jan.-June | 38.0 | 21.8 | 131.1 | 119.1 | 92.6 | 50.2 | 393.0 | 452.8 |
| July-Dec. | 26.7 | 15.6 | 116.5 | 102.2 | 67.8 | 52.4 | 338.9 | 381.2 |
| 1942 | | | | | | | | |
| Jan.-June | 34.8 | 19.1 | 135.6 | 108.3 | 97.3 | 51.8 | 393.0 | 446.9 |

1/ Excludes Puerto Rico.
2/ Based on reports from counties including from 31 to 49 percent of the farms in the United States.

Farm Credit Administration.

## LOAN OPERATIONS OF FEDERAL LAND BANKS AND THE FEDERAL FARM MORTGAGE CORPORATION

Operations of both the Federal land banks and the Federal Farm Mortgage Corporation during the year ended September 30, 1942 have been characterized by the continued decline of the unpaid balance of their farm-mortgage loans. On September 30, 1942 the total of loans outstanding for these agencies was only $2,207,000,000 as contrasted to $2,411,000,000 a year earlier. These figures, however, do not include purchase-money mortgages or sales contracts which have increased somewhat as a result of a more favorable market for their real estate holdings. Purchase-money mortgages on September 30, 1942 for both agencies totaled about $54,782,000 compared with $54,284,000 on the same date a year earlier, and real estate sales contracts and notes receivable went up from $76,168,000 to $84,170,000 during that year. The decrease in outstanding loans reflects not only a general decrease in the amount of new loans made but of even more importance, increased principal repayments.

### Loans Closed

In the first three quarters ended September 30, 1942, new loans closed by the two agencies were $15,144,943 less than for the same quarters of 1941, a decrease of 17.6 percent. As long as farmers' incomes remain high, principal repayments may be in sufficient volume to continue the downward trend in outstanding loans for some time.

### Principal Repayments

Principal repayments in the first three quarters of 1942 show substantial increases over the same period of 1941, totaling $197,304,000 and $138,561,000 in these two respective periods. This increase is even more significant in view of the reduction which occurred in outstanding loans. The principal repayments in the first three quarters of 1942 were 8.4 percent of loans outstanding at the beginning of the year, whereas such payments in the corresponding period of 1941 were only 5.6 percent of loans outstanding.

Other evidences of the increased debt payments are the decreased delinquencies of both interest and principal and increased amounts of advance payments made by borrowers. On September 30, 1942 the amount of delinquent installments, advances, etc. for both agencies was only $27,050,000 as compared with $38,266,000 on September 30, 1941. Between these same two dates,

borrower funds held by these two agencies in the form of trust accounts[1] and as payments received from borrowers on unmatured items[2] increased from $12,509,000 to $25,990,000. The increase in advance payments stems largely from the policy inaugurated by the Farm Credit Administration (in September 1941 for the Federal land banks and January 1942 for the Federal Farm Mortgage Corporation) of paying interest on certain prepayments at the same rate as is charged on the borrowers' indebtedness. While these prepayments, identified as "conditional payments," are included in the total of trust accounts and advanced payments on unmatured items mentioned above, they are of sufficient current interest, because of the amended policy, to be considered further.

The Farm Credit Act of 1937 authorized the Federal land banks to accept conditional payments from borrowers, but only $412,600 of these payments was held by the banks on September 30, 1941; by September 30, 1942, however, the amount held was $10,596,000 (table 1). During the first 9 months of 1942 the Federal Farm Mortgage Corporation received $1,690,000 in conditional payments and of this amount $1,383,000 was still outstanding on September 30, 1942.[3]

In addition to the acceptance of conditional payments from borrowers, the banks provide means whereby some loans may be repaid on a variable-payment basis, which encourages increased payments by farmers on their indebtedness in years of high incomes and permits reduced payments in periods of low income. Current records of the Farm Credit Administration, however, do not provide a comparison of the amount of payments made by borrowers on this basis with that which would have matured had the fixed amortization plan been in effect.

## Real Estate Activities

As mentioned previously there has been, during the last fiscal year, a substantial increase in purchase-money mortgages and sales contracts held by the Federal land banks and the Federal Farm Mortgage Corporation. On September 30, 1941 they had an investment in real estate, sheriffs' certificates, etc. amounting to $108,000,000. On September 30, 1942 these items amounted to only $62,817,000, a drop of more than 40 percent. This drop represents the net effect of acquiring fewer farms during the period and selling more of those already held. The investment in loans called for foreclosure, judgments, etc. on September 30, 1942 was only 67 percent of the investment in these items on September 30, 1941.

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1/ This account represents funds collected from insurance companies on fire losses on properties securing loans, deposits made by purchasers in connection with pending real estate sales, and any other special payment received by the bank to be used for a specified purpose.
2/ These funds represent partial payments of either principal or interest on mortgages, contracts, notes, and extensions, which are received in advance of installment due dates.
3/ Conditional payments made during the month of October 1942 for these agencies amounted to $1,932,000 and the amount outstanding at the end of that month was $13,730,000.

Table 1.- Federal land banks and Federal Farm Mortgage Corporation: Conditional payments received and outstanding

FEDERAL LAND BANKS

| District | Received during September 1942 | Received Oct. 3, 1941 through September 1942 | Outstanding September 30, 1941 | Outstanding September 30, 1942 |
|---|---|---|---|---|
| | Dollars | Dollars | Dollars | Dollars |
| Springfield | 36,677 | 200,267 | 3,544 | 174,830 |
| Baltimore | 21,494 | 181,411 | 3,104 | 159,386 |
| Columbia | 35,509 | 349,558 | 8,096 | 291,385 |
| Louisville | 95,273 | 793,212 | 6,434 | 636,545 |
| New Orleans | 13,764 | 264,449 | 4,827 | 199,173 |
| St. Louis | 182,863 | 2,250,111 | 168,863 | 1,726,960 |
| St. Paul | 105,521 | 1,118,906 | 7,595 | 979,344 |
| Omaha | 302,402 | 3,136,738 | 88,885 | 2,638,574 |
| Wichita | 125,803 | 1,077,834 | 49,465 | 726,871 |
| Houston | 196,195 | 1,843,101 | 11,183 | 1,294,140 |
| Berkeley | 108,029 | 839,355 | 19,000 | 698,923 |
| Spokane | 260,183 | 1,340,482 | 41,566 | 1,069,453 |
| Total | 1,483,713 | 13,395,424 | 412,562 | 10,595,584 |

FEDERAL FARM MORTGAGE CORPORATION

| District | Received during September 1942 | Received Jan. 1, 1942 through September 1942 | Outstanding September 30, 1942 |
|---|---|---|---|
| | Dollars | Dollars | Dollars |
| Springfield | 13,686 | 37,426 | 36,961 |
| Baltimore | 6,728 | 27,350 | 24,051 |
| Columbia | 31,419 | 100,411 | 93,141 |
| Louisville | 25,300 | 96,925 | 73,999 |
| New Orleans | 5,139 | 16,386 | 13,898 |
| St. Louis | 62,435 | 220,972 | 158,991 |
| St. Paul | 39,471 | 184,161 | 161,584 |
| Omaha | 52,673 | 253,707 | 220,501 |
| Wichita | 41,834 | 131,135 | 111,707 |
| Houston | 54,169 | 262,948 | 183,008 |
| Berkeley | 46,147 | 171,990 | 139,188 |
| Spokane | 69,147 | 187,012 | 165,861 |
| Total | 448,148 | 1,690,423 | 1,382,890 |

Farm Credit Administration.

## ADDITIONAL DATA ON FARM-MORTGAGE INTEREST RATES IN 1940 CENSUS OF AGRICULTURE

The Bureau of the Census has recently made available data on farm-mortgage interest rates collected in the Sixteenth Census of the United States. These data represent rates charged on the first-mortgage debt of owner-operated farms and were collected as of April 1, 1940. They are presented by States and regions.

The census report shows by States the total number of full owners and part owners reporting the amount of their mortgage debt and the rate of interest. All owner-operators reporting the rate of interest are classified by interest-rate groups. The data also show the unweighted average, the weighted average, and the median interest rate. In calculating the unweighted average and median interest rates, those reported as "none" or "0" were included. In computing the weighted average, each rate group was weighted by the total amount of farm-mortgage debt reported for that group, including the debt represented by junior liens.

In the use of these data certain of their characteristics need to be kept in mind. The census report states: "The enumerator was instructed to report the interest rate specified in the first mortgage even though a lower rate was temporarily in effect. The rate was to be the annual rate and was not to include amortization or principal payments, commissions, or other extra charges. Data relating to the rate of interest were tabulated only for farms for which the amount of debt was also reported."1/

But it is pointed out that "although the inquiry on the schedule called for the contract rate of interest on the first-mortgage debt it is probable that, where a temporary rate was in effect, this temporary rate may have been reported in a number of instances."2/ In some cases, for instance, the temporary rate of interest paid on Federal land bank and Land Bank Commissioner mortgages may have been reported rather than the contract rate. In other cases rates may have been reported which covered a period less than a year; some may have included amortization or principal payments, commissions, or other charges.

The average interest rates for the United States were: unweighted, 5.3 percent for full owners and 5.2 percent for part owners; weighted, 4.9 percent for both the full and the part owners; and median, 5.0 percent for both of the groups of owners. In general the high interest rate areas were found in the South and West and low interest rate areas were North Central, New England, and Middle Atlantic States, which is consistent with earlier findings.

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1/ U. S. Department of Commerce, Bureau of the Census - 16th Census of the United States, 1940, chapter IV, volume III, General Report on Agriculture, p. 4. (See pp. 60 and 62 for statistical data.)
2/ Ibid., p. 5.

Table 1.- Interest rates on first-mortgage debt on farms operated by full owners and part owners, by States, April 1, 1940

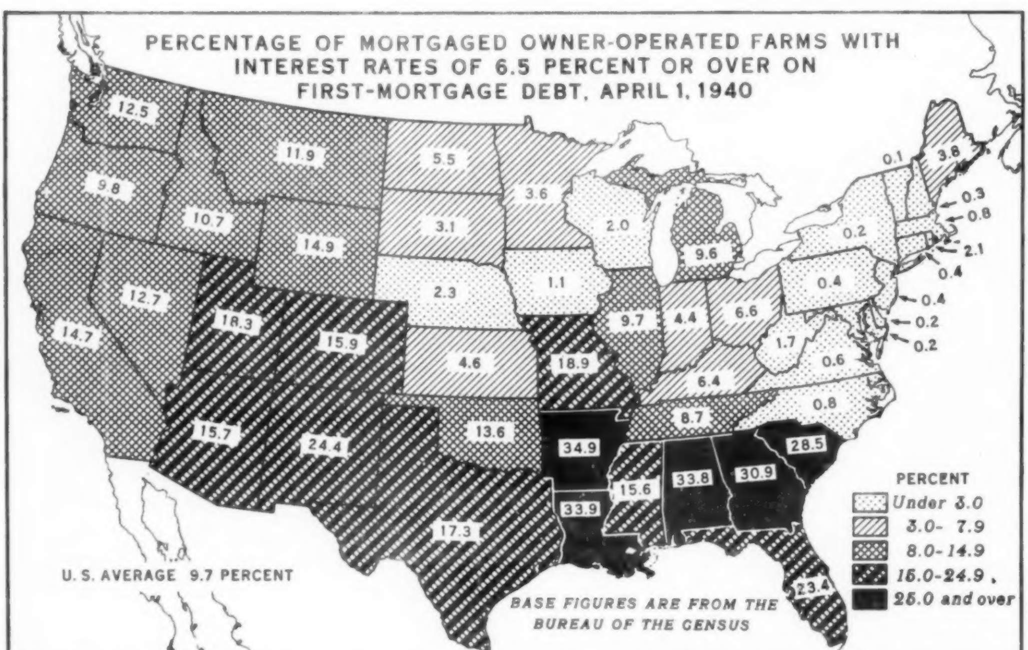
| State and division | Average interest rates | | | | | | Percentage of farms with interest rates of 6.5 percent or over | | |
|---|---|---|---|---|---|---|---|---|---|
| | Unweighted average 1/ | | Weighted average 2/ | | Median | | | | |
| | Full owner | Part owner | Full owner | Part owner | Full owner | Part owner | Full owner | Part owner | All owners |
| | Percent | Percent | Percent | Percent | Percent | Percent | Percent | Percent | Percent |
| Maine | 5.4 | 5.3 | 5.2 | 5.2 | 6.0 | 6.0 | 3.8 | 4.2 | 3.8 |
| New Hampshire | 5.1 | 4.9 | 5.0 | 4.8 | 5.0 | 5.0 | .3 | 1.0 | .3 |
| Vermont | 5.2 | 5.1 | 5.1 | 4.9 | 5.0 | 5.0 | .1 | .0 | .1 |
| Massachusetts | 5.2 | 5.1 | 5.1 | 5.0 | 5.5 | 5.0 | .8 | .7 | .8 |
| Rhode Island | 5.2 | 5.2 | 5.0 | 4.9 | 5.0 | 6.0 | 2.1 | 2.2 | 2.1 |
| Connecticut | 5.1 | 4.9 | 5.0 | 4.7 | 5.0 | 5.0 | .3 | .6 | .4 |
| New England | 5.2 | 5.1 | 5.1 | 4.9 | 5.0 | 5.0 | 1.2 | 1.2 | 1.2 |
| New York | 5.2 | 5.1 | 5.1 | 5.0 | 5.0 | 5.0 | .2 | .1 | .2 |
| New Jersey | 5.2 | 5.1 | 5.1 | 5.0 | 5.5 | 5.0 | .3 | .5 | .4 |
| Pennsylvania | 5.3 | 5.2 | 5.2 | 5.1 | 5.5 | 5.0 | .4 | .3 | .4 |
| Middle Atlantic | 5.2 | 5.1 | 5.1 | 5.0 | 5.5 | 5.0 | .3 | .2 | .3 |
| Ohio | 5.4 | 5.1 | 5.1 | 5.0 | 6.0 | 5.0 | 6.9 | 4.5 | 6.6 |
| Indiana | 5.1 | 5.0 | 4.9 | 4.8 | 5.0 | 5.0 | 4.6 | 3.8 | 4.4 |
| Illinois | 5.0 | 5.0 | 4.6 | 4.6 | 5.0 | 5.0 | 9.7 | 9.5 | 9.7 |
| Michigan | 5.3 | 5.2 | 5.1 | 5.0 | 5.0 | 5.0 | 9.7 | 8.8 | 9.6 |
| Wisconsin | 4.7 | 4.7 | 4.5 | 4.6 | 5.0 | 5.0 | 2.1 | 1.8 | 2.0 |
| East North Central | 5.1 | 5.0 | 4.8 | 4.7 | 5.0 | 5.0 | 6.1 | 5.9 | 6.1 |
| Minnesota | 4.7 | 4.7 | 4.5 | 4.5 | 4.5 | 4.5 | 3.8 | 3.1 | 3.6 |
| Iowa | 4.6 | 4.6 | 4.5 | 4.5 | 4.5 | 4.5 | 1.1 | .9 | 1.1 |
| Missouri | 5.7 | 5.5 | 5.2 | 5.2 | 6.0 | 5.5 | 20.2 | 14.2 | 18.9 |
| North Dakota | 4.9 | 4.9 | 4.8 | 4.8 | 5.0 | 5.0 | 5.6 | 5.4 | 5.5 |
| South Dakota | 4.7 | 4.7 | 4.6 | 4.6 | 5.0 | 5.0 | 3.2 | 3.1 | 3.1 |
| Nebraska | 4.8 | 4.8 | 4.6 | 4.7 | 5.0 | 5.0 | 2.3 | 2.2 | 2.3 |
| Kansas | 5.0 | 5.0 | 4.8 | 4.8 | 5.0 | 5.0 | 4.8 | 4.4 | 4.6 |
| West North Central | 5.0 | 4.9 | 4.6 | 4.7 | 5.0 | 5.0 | 7.5 | 4.9 | 6.6 |
| Delaware | 5.6 | 5.7 | 5.5 | 5.4 | 6.0 | 6.0 | .2 | .5 | .2 |
| Maryland | 5.4 | 5.4 | 5.2 | 5.2 | 6.0 | 6.0 | .2 | .1 | .2 |
| District of Columbia | 5.7 | - | 5.7 | - | 6.0 | - | .0 | .0 | .0 |
| Virginia | 5.4 | 5.5 | 5.1 | 5.1 | 6.0 | 6.0 | .6 | .7 | .6 |
| West Virginia | 5.3 | 5.3 | 5.2 | 5.1 | 6.0 | 6.0 | 1.6 | 2.6 | 1.7 |
| North Carolina | 5.4 | 5.6 | 5.3 | 5.4 | 6.0 | 6.0 | .7 | 1.0 | .8 |
| South Carolina | 5.6 | 5.7 | 5.2 | 5.2 | 5.5 | 6.0 | 28.2 | 30.6 | 28.5 |
| Georgia | 5.7 | 6.0 | 5.3 | 5.4 | 5.5 | 6.0 | 30.1 | 36.4 | 30.9 |
| Florida | 5.7 | 5.9 | 5.4 | 5.4 | 5.5 | 5.5 | 22.7 | 28.1 | 23.4 |
| South Atlantic | 5.5 | 5.7 | 5.2 | 5.3 | 6.0 | 6.0 | 11.2 | 13.3 | 11.5 |
| Kentucky | 5.5 | 5.6 | 5.0 | 5.1 | 6.0 | 6.0 | 6.1 | 8.3 | 6.4 |
| Tennessee | 5.5 | 5.7 | 5.1 | 5.3 | 6.0 | 6.0 | 8.0 | 12.0 | 8.7 |
| Alabama | 5.9 | 6.2 | 5.4 | 5.6 | 5.5 | 6.0 | 32.4 | 40.4 | 33.8 |
| Mississippi | 5.6 | 5.8 | 5.2 | 5.4 | 5.5 | 6.0 | 15.4 | 18.4 | 15.6 |
| East South Central | 5.6 | 5.8 | 5.1 | 5.3 | 6.0 | 6.0 | 15.0 | 20.1 | 15.7 |
| Arkansas | 6.3 | 6.5 | 5.4 | 5.5 | 6.0 | 6.0 | 34.1 | 38.4 | 34.9 |
| Louisiana | 6.0 | 6.2 | 5.5 | 5.6 | 6.0 | 6.0 | 32.9 | 40.3 | 33.9 |
| Oklahoma | 5.2 | 5.1 | 4.9 | 4.8 | 5.0 | 5.0 | 14.8 | 11.9 | 13.6 |
| Texas | 5.4 | 5.4 | 5.0 | 5.0 | 5.0 | 5.0 | 17.4 | 16.9 | 17.3 |
| West South Central | 5.7 | 5.5 | 5.1 | 5.0 | 5.0 | 5.0 | 22.7 | 19.3 | 21.8 |
| Montana | 5.3 | 5.2 | 5.1 | 5.1 | 5.0 | 5.0 | 12.8 | 11.0 | 11.9 |
| Idaho | 5.3 | 5.2 | 5.1 | 5.1 | 5.0 | 5.0 | 11.1 | 9.2 | 10.7 |
| Wyoming | 5.5 | 5.3 | 5.3 | 5.2 | 5.0 | 5.0 | 16.7 | 12.6 | 14.9 |
| Colorado | 5.5 | 5.4 | 5.3 | 5.2 | 5.5 | 5.0 | 17.4 | 13.2 | 15.9 |
| New Mexico | 5.9 | 5.7 | 5.4 | 5.4 | 5.5 | 5.0 | 26.2 | 21.8 | 24.4 |
| Arizona | 5.5 | 5.5 | 5.3 | 5.4 | 5.5 | 5.5 | 15.6 | 16.0 | 15.7 |
| Utah | 5.4 | 5.5 | 5.2 | 5.3 | 5.0 | 5.0 | 17.5 | 20.8 | 18.3 |
| Nevada | 5.4 | 5.1 | 5.1 | 5.1 | 5.0 | 5.0 | 13.2 | 9.8 | 12.7 |
| Mountain | 5.4 | 5.3 | 5.2 | 5.2 | 5.0 | 5.0 | 15.5 | 13.6 | 14.8 |
| Washington | 5.4 | 5.2 | 5.2 | 5.0 | 5.5 | 5.0 | 13.0 | 9.9 | 12.5 |
| Oregon | 5.4 | 5.3 | 5.2 | 5.1 | 6.0 | 5.0 | 10.2 | 8.1 | 9.8 |
| California | 5.4 | 5.3 | 5.3 | 5.2 | 6.0 | 5.5 | 14.9 | 13.6 | 14.7 |
| Pacific | 5.4 | 5.3 | 5.2 | 5.1 | 6.0 | 5.0 | 13.3 | 11.1 | 13.0 |
| UNITED STATES | 5.3 | 5.2 | 4.9 | 4.9 | 5.0 | 5.0 | 9.8 | 9.4 | 9.7 |

1/ An arithmetic average of the interest rates reported.
2/ Calculated by weighting each rate by the total debt reported for farms reporting that rate.

Bureau of the Census, U. S. Department of Commerce.

A further regrouping of the census data shows the percentage of farms reporting an interest rate of 6.5 percent or higher (table 1). Of all farms reporting the amount of mortgage debt, 9.7 percent were paying an interest rate of 6.5 percent or over on their first mortgages. Of the full owners reporting, 9.8 percent were in this interest-rate grouping as compared with 9.4 percent for the part owners.

As would be expected, the areas in which the over-all interest rates were high are largely the same areas in which the percentage of mortgage loans with rates of 6.5 percent and over was large (fig. 1). The West South Central area had 21.8 percent of its loans in the 6.5 percent and over rate group, which was the largest proportion in any geographical area. Arkansas and Louisiana, both in this area, had the largest percentages of loans in this classification for any State, the percentages being 34.9 for Arkansas and 33.9 for Louisiana. Other areas having a larger than average percentage of their mortgages in the high interest rate group were: East South Central with 15.7 percent; Mountain, 14.8 percent; Pacific, 13.0 percent; and South Atlantic, 11.5 percent.




U. S. DEPARTMENT OF AGRICULTURE NEG. 42729 BUREAU OF AGRICULTURAL ECONOMICS

Figure 1

# FARMER BANKRUPTCIES

The number of bankruptcy cases filed by farmers in the United States continued to decline during the fiscal year ended June 30, 1941, totaling 2,334 as compared with 2,622 in the previous fiscal year, according to reports of the Administrative Office of the United States Courts (table 1). This decrease of 11 percent in farmer bankruptcies was in contrast to an increase of almost 9 percent in the number of cases filed by all occupational groups, which totaled 56,893 for the fiscal year 1941. As a result of these contrasting trends, farmer cases represented only 4.1 percent of all cases filed during the 12-month period ending June 30, 1941 as compared with 5.0 percent for the previous 12 months.

The number of cases filed by farmers varied considerably by States, ranging from only 1 case in New Mexico to 324 in California. Much of this variation, of course, is accounted for by differences between States in the number of farmers rather than in the proportion of farmers resorting to bankruptcy. The largest decreases in the number of cases filed were evident in California, Texas, Iowa, Tennessee, Oklahoma, and Missouri. Although the total number of cases filed by farmers during the fiscal year 1941 was less than for 1940, increases were experienced in one-third of the States, the largest increases occurring in North Dakota, Ohio, North Carolina, and Kentucky.

Increases in the number of cases filed by all occupational groups were particularly noticeable in Ohio, Alabama, Illinois, New York, and Wisconsin. The proportion of cases accounted for by farmers ranged from less than 1 percent of all cases filed in several States to almost 85 percent in North Dakota. Other States with more than 25 percent of all cases filed by farmers were North Carolina, Texas, Arkansas, Nebraska, Delaware, South Dakota, and Iowa. Although during the fiscal year 1941 farmers as a whole accounted for a smaller proportion of all cases filed than in 1940, in one-third of the States they accounted for a larger proportion. In three of the States where farmer bankruptcies have been a large proportion of all cases filed - North Dakota, North Carolina, and Nebraska - this proportion rose still higher during the fiscal year 1941.

The number of cases handled under Section 75[1/] of the Bankruptcy Act also declined during the fiscal year 1941, totaling 1,599 as compared with 1,748 in 1940 (table 2). As in other years, a large part of the cases handled under this section were concluded by dismissal. Extensions were relatively more important than in previous years, numbering 117 as compared with 105 in 1940. The amount of debts extended, however, totaled only

1/ Section 75 provides for the composition and extension of farmers' debts, and Subsection 75 (s), otherwise known as the Frazier-Lemke Act, provides for a moratorium if a satisfactory settlement cannot be reached.

Table 1.- Number of bankruptcy cases filed by farmers compared with total of all bankruptcy cases filed, by States, years ending June 30, 1940-41

| State and division | Total cases filed | | Farmer cases filed | | Farmer cases as a percentage of all cases | |
|---|---|---|---|---|---|---|
| | 1940 | 1941 | 1940 | 1941 | 1940 | 1941 |
| | Number | Number | Number | Number | Pct. | Pct. |
| Maine | 384 | 372 | 29 | 18 | 7.6 | 4.8 |
| New Hampshire | 82 | 78 | 4 | 2 | 4.9 | 2.6 |
| Vermont | 146 | 145 | 18 | 11 | 12.3 | 7.6 |
| Massachusetts | 1,233 | 1,366 | 4 | 11 | .3 | .8 |
| Rhode Island | 167 | 200 | 4 | 3 | 2.4 | 1.5 |
| Connecticut | 695 | 861 | 4 | 7 | .6 | .8 |
| New England | 2,707 | 3,022 | 63 | 52 | 2.3 | 1.7 |
| New York | 7,159 | 7,585 | 110 | 106 | 1.5 | 1.4 |
| New Jersey | 1,336 | 1,484 | 29 | 24 | 2.2 | 1.6 |
| Pennsylvania | 919 | 812 | 47 | 49 | 5.1 | 6.0 |
| Middle Atlantic | 9,414 | 9,881 | 186 | 179 | 2.0 | 1.8 |
| Ohio | 5,503 | 6,632 | 94 | 120 | 1.7 | 1.8 |
| Indiana | 533 | 622 | 69 | 61 | 12.9 | 9.8 |
| Illinois | 3,467 | 3,925 | 70 | 52 | 2.0 | 1.3 |
| Michigan | 2,185 | 2,479 | 31 | 15 | 1.4 | .6 |
| Wisconsin | 1,048 | 1,378 | 45 | 38 | 4.3 | 2.8 |
| East North Central | 12,736 | 15,036 | 309 | 286 | 2.4 | 1.9 |
| Minnesota | 889 | 1,069 | 45 | 32 | 5.1 | 3.0 |
| Iowa | 319 | 263 | 108 | 67 | 33.9 | 25.5 |
| Missouri | 968 | 1,204 | 118 | 89 | 12.2 | 7.4 |
| North Dakota | 179 | 259 | 144 | 220 | 80.4 | 84.9 |
| South Dakota | 38 | 30 | 11 | 8 | 28.9 | 26.7 |
| Nebraska | 252 | 222 | 72 | 66 | 28.6 | 29.7 |
| Kansas | 329 | 482 | 37 | 37 | 11.2 | 7.7 |
| West North Central | 2,974 | 3,529 | 535 | 519 | 18.0 | 14.7 |
| Delaware | 42 | 37 | 12 | 10 | 28.6 | 27.0 |
| Maryland | 222 | 144 | 20 | 9 | 9.0 | 6.2 |
| District of Columbia | 197 | 127 | 0 | 0 | .0 | .0 |
| Virginia | 2,415 | 2,152 | 41 | 48 | 1.7 | 2.2 |
| West Virginia | 901 | 853 | 15 | 12 | 1.7 | 1.4 |
| North Carolina | 263 | 271 | 96 | 115 | 36.5 | 42.4 |

| State and division | Total cases filed | | Farmer cases filed | | Farmer cases as a percentage of all cases | |
|---|---|---|---|---|---|---|
| | 1940 | 1941 | 1940 | 1941 | 1940 | 1941 |
| | Number | Number | Number | Number | Pct. | Pct. |
| South Carolina | 41 | 36 | 5 | 2 | 12.2 | 5.6 |
| Georgia | 1,720 | 1,721 | 87 | 74 | 5.1 | 4.3 |
| Florida | 241 | 242 | 11 | 21 | 4.6 | 8.7 |
| South Atlantic | 6,042 | 5,583 | 287 | 291 | 4.8 | 5.2 |
| Kentucky | 908 | 937 | 19 | 36 | 2.1 | 3.8 |
| Tennessee | 2,390 | 2,679 | 75 | 37 | 3.1 | 1.4 |
| Alabama | 5,633 | 6,495 | 34 | 48 | .6 | .7 |
| Mississippi | 156 | 185 | 21 | 34 | 13.5 | 18.4 |
| East South Central | 9,087 | 10,296 | 149 | 155 | 1.6 | 1.5 |
| Arkansas | 168 | 149 | 55 | 46 | 32.7 | 30.9 |
| Louisiana | 279 | 388 | 31 | 36 | 11.1 | 9.3 |
| Oklahoma | 787 | 665 | 126 | 93 | 16.0 | 14.0 |
| Texas | 593 | 500 | 212 | 163 | 35.8 | 32.6 |
| West South Central | 1,827 | 1,702 | 424 | 338 | 23.2 | 19.9 |
| Montana | 130 | 111 | 15 | 15 | 11.5 | 13.5 |
| Idaho | 100 | 84 | 23 | 10 | 23.0 | 11.9 |
| Wyoming | 90 | 77 | 3 | 3 | 3.3 | 3.9 |
| Colorado | 564 | 674 | 24 | 20 | 4.3 | 3.0 |
| New Mexico | 45 | 62 | 2 | 1 | 4.4 | 1.6 |
| Arizona | 74 | 98 | 4 | 5 | 5.4 | 5.1 |
| Utah | 203 | 222 | 32 | 39 | 15.8 | 17.6 |
| Nevada | 25 | 21 | 1 | 2 | 4.0 | 9.5 |
| Mountain | 1,231 | 1,349 | 104 | 95 | 8.4 | 7.0 |
| Washington | 1,017 | 1,134 | 63 | 66 | 6.2 | 5.8 |
| Oregon | 833 | 1,040 | 43 | 29 | 5.2 | 2.8 |
| California | 4,500 | 4,321 | 459 | 324 | 10.2 | 7.5 |
| Pacific | 6,350 | 6,495 | 565 | 419 | 8.9 | 6.5 |
| UNITED STATES | 52,368 | 56,893 | 2,622 | 2,334 | 5.0 | 4.1 |
| Territories and possessions 1/ | 209 | 188 | 56 | 33 | 26.8 | 17.6 |

1/ Alaska, Hawaii, and Puerto Rico.

Administrative Office of the United States Courts.

Table 2.- Number of cases concluded under Section 75 of the Bankruptcy Act, by States, year ended June 30, 1941

| State and division | Compo-sitions | Exten-sions | Cases disposed of without composition or extension: Under Subsec. 75(s) | Cases disposed of without composition or extension: Other | Total cases con-cluded |
|---|---|---|---|---|---|
| | Number | Number | Number | Number | Number |
| Total for 1936 ..... | 237 | 352 | 1/ | 4,685 | 5,274 |
| Total for 1937 ..... | 116 | 100 | 1/ | 2,455 | 2,671 |
| Total for 1938 ..... | 49 | 103 | 124 | 2,428 | 2,704 |
| Total for 1939 ..... | 78 | 108 | 103 | 2,309 | 2,598 |
| Total for 1940 ..... | 57 | 105 | 185 | 1,401 | 1,748 |
| Total for 1941 ..... | 28 | 117 | 142 | 1,312 | 1,599 |
| Maine .............. | 0 | 0 | 0 | 0 | 0 |
| New Hampshire ...... | 0 | 0 | 0 | 0 | 0 |
| Vermont ............ | 0 | 0 | 0 | 17 | 17 |
| Massachusetts ...... | 0 | 0 | 0 | 0 | 0 |
| Rhode Island ....... | 0 | 0 | 0 | 4 | 4 |
| Connecticut ........ | 0 | 0 | 0 | 2 | 2 |
| New England ...... | 0 | 0 | 0 | 23 | 23 |
| New York ........... | 4 | 6 | 2 | 26 | 38 |
| New Jersey ......... | 0 | 0 | 0 | 3 | 3 |
| Pennsylvania ....... | 0 | 2 | 8 | 37 | 47 |
| Middle Atlantic .. | 4 | 8 | 10 | 66 | 88 |
| Ohio ............... | 2 | 1 | 27 | 42 | 72 |
| Indiana ............ | 0 | 1 | 3 | 30 | 34 |
| Illinois ........... | 0 | 1 | 5 | 21 | 27 |
| Michigan ........... | 0 | 2 | 0 | 11 | 13 |
| Wisconsin .......... | 1 | 0 | 1 | 11 | 13 |
| East North Central | 3 | 5 | 36 | 115 | 159 |
| Minnesota .......... | 1 | 1 | 0 | 31 | 33 |
| Iowa ............... | 3 | 0 | 7 | 31 | 41 |
| Missouri ........... | 0 | 1 | 7 | 118 | 126 |
| North Dakota ....... | 0 | 0 | 8 | 54 | 62 |
| South Dakota ....... | 0 | 0 | 0 | 2 | 2 |
| Nebraska ........... | 0 | 0 | 0 | 75 | 75 |
| Kansas ............. | 0 | 0 | 0 | 21 | 21 |
| West North Central | 4 | 2 | 22 | 332 | 360 |
| Delaware ........... | 0 | 0 | 0 | 0 | 0 |
| Maryland ........... | 0 | 0 | 0 | 0 | 0 |

| State and division | Compo-sitions | Exten-sions | Cases disposed of without composition or extension: Under Subsec. 75(s) | Cases disposed of without composition or extension: Other | Total cases con-cluded |
|---|---|---|---|---|---|
| | Number | Number | Number | Number | Number |
| Virginia ........... | 0 | 0 | 1 | 5 | 6 |
| West Virginia ...... | 0 | 2 | 0 | 0 | 2 |
| North Carolina ..... | 4 | 36 | 4 | 52 | 96 |
| South Carolina ..... | 0 | 0 | 0 | 3 | 3 |
| Georgia ............ | 1 | 2 | 0 | 39 | 42 |
| Florida ............ | 0 | 0 | 0 | 2 | 2 |
| South Atlantic ... | 5 | 40 | 5 | 101 | 151 |
| Kentucky ........... | 1 | 0 | 5 | 11 | 17 |
| Tennessee .......... | 2 | 0 | 2 | 10 | 14 |
| Alabama ............ | 0 | 1 | 0 | 12 | 13 |
| Mississippi ........ | 0 | 0 | 0 | 26 | 26 |
| East South Central | 3 | 1 | 7 | 59 | 70 |
| Arkansas ........... | 0 | 1 | 0 | 43 | 44 |
| Louisiana .......... | 1 | 1 | 1 | 7 | 10 |
| Oklahoma ........... | 0 | 5 | 7 | 103 | 115 |
| Texas ........... .. | 1 | 2 | 12 | 120 | 135 |
| West South Central | 2 | 9 | 20 | 273 | 304 |
| Montana ............ | 0 | 0 | 0 | 7 | 7 |
| Idaho .............. | 0 | 0 | 0 | 7 | 7 |
| Wyoming ............ | 0 | 0 | 0 | 2 | 2 |
| Colorado ........... | 0 | 0 | 1 | 14 | 15 |
| New Mexico ......... | 0 | 0 | 0 | 1 | 1 |
| Arizona ............ | 0 | 0 | 0 | 4 | 4 |
| Utah ............... | 0 | 0 | 2 | 18 | 20 |
| Nevada ............. | 0 | 0 | 0 | 0 | 0 |
| Mountain ......... | 0 | 0 | 3 | 53 | 56 |
| Washington ......... | 1 | 1 | 1 | 47 | 50 |
| Oregon ............. | 2 | 1 | 23 | 11 | 37 |
| California ......... | 4 | 50 | 15 | 232 | 301 |
| Pacific .......... | 7 | 52 | 39 | 290 | 388 |
| UNITED STATES ...... | 28 | 117 | 142 | 1,312 | 1,599 |
| Puerto Rico ........ | 25 | 1 | 0 | 39 | 65 |

1/ Included with "other."

Administrative Office of the United States Courts.

$1,126,015, whereas in the year ending June 30, 1940 they aggregated $2,812,-179. Twenty-eight compositions were concluded during the 12 months ending June 30, 1941, affecting debts of $342,040 2/ and involving payments of $192,937. 2/ During the previous fiscal year 57 compositions were concluded, affecting debts of $767,810 3/ and calling for payments of $454,145. 3/ In terms of debts and payments involved, compositions were more important in Puerto Rico than they were in the entire United States. In the 25 cases concluded in Puerto Rico, $567,991 of debts were composed and $224,472 paid or to be paid. This is considerably more than in the previous fiscal year. In addition to the compositions and extensions, 142 cases were handled under Subsection 75 (s), 1/ all in the United States. This compares with 185 in the fiscal year 1940.

Most of the cases concluded under Section 75 were in the West North Central, West South Central, and Pacific States, these regions accounting for about two-thirds of the total number. The compositions were fairly well distributed throughout the country, but the extensions were largely concentrated in California and North Carolina. States having a relatively large number of cases concluded under Subsection 75 (s) were Ohio, Oregon, California, and Texas.

2/ Excludes amounts for one case in the western district of Tennessee.
3/ Excludes amounts for southern district of Indiana and for Utah.

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## FARM SECURITY ADMINISTRATION EXPANDS LAND-PURCHASE LOAN PROGRAM

The Farm Security Administration in recent months has broadened its land-purchase program to include not only tenant-purchase loans, but also farm-enlargement and farm-development loans. The Tenant Purchase Division is now known as the Farm Ownership Division.

The purposes of the farm-ownership program, as listed by the Farm Security Administration, 1/ are to make loans to: "(1) promote more secure occupancy of farms and farm homes by families who derive the major portion of their income from farming operations; (2) correct the economic instability resulting from some present forms of farm tenancy; (3) preserve the family-type farm in America; and (4) correct maladjustments of population to the land which result in wasted manpower, impoverishment of land and people, and decline of rural civilization."

1/ Farm Security Administration Instruction 600.1, October 12, 1942.

Both the tenant-purchase loans and the farm-enlargement loans are made from funds obtained under Title I of the Bankhead-Jones Farm Tenant Act. The farm-development loans are made from funds made available for loans, grants, and rural rehabilitation.

The purposes for which tenant-purchase, farm-enlargement, and farm-development loans can be made are summarized in the following paragraphs taken from the instructions of the Farm Security Administration:1/

Tenant-Purchase Loans.- These loans are made "to eligible persons who do not own farm land. The proceeds of TP loans may be used to: (1) purchase family-type farms; (2) make such repairs and improvements on such farms as may be necessary to meet established standards of health, comfort and convenience, and otherwise to put them in livable and operating condition; (3) pay all authorized fees and expenses incident to the acquisition of the farm purchased with the proceeds of the TP loans; and (4) in certain specially defined cases, purchase headquarters units which when combined with adjacent lands, dependably available for long-time lease, will constitute economic, family-type units."

Farm-Enlargement Loans.- These loans are made "to eligible persons who own farms which are definitely too small to support an average family according to acceptable living standards. The proceeds of FE loans may be used to: (1) Purchase sufficient additional land to enlarge such inadequate farms into economic, family-type units; (2) make such repairs and improvements to the enlarged farm unit as may be necessary to meet established standards of health, comfort and convenience, and otherwise to put the unit in good living and operating condition; ... (3) refinance existing debts on farms to be enlarged provided such refinancing is incidental to the main purpose of acquisition of a family-type farm, and provided less than half the loan is used for this purpose; ... (4) pay all authorized fees and expenses incident to the acquisition of the farm enlarged with the proceeds of the FE loan."

Farm-Development Loans.- These loans are made "to eligible persons who own farms which, if properly developed and financed, would constitute economic, family-type units. No land purchase will be permitted in connection with these loans. The proceeds of FD loans may be used to: (1) Effect such clearing of timber, brush, stump, or stony land, draining of wet land, irrigating of arid land, leveling of rough land, terracing of land subject to erosion, preparation of land for permanent pastures, woodlot or orchard development, or carrying out such other land improvements as will result in increasing the production and earning capacity of the farm and facilitate the rehabilitation of the borrower; (2) repair, improve, or construct dwellings or farm buildings in a manner conforming with stated standards of the FSA; (3) refinance existing debts on the farms to be developed in order that the FD loan may be secured by a first lien; (4) provide for the installation of farmstead water facilities wherever it is not possible or desirable to obtain funds for these facilities through the Water Facilities Program; (5) purchase an irrigation water right or shares of stock in an irrigation

1/ Farm Security Administration Instruction 600.1, October 12, 1942.

company wherever it is not possible or desirable to obtain funds through the Water Facilities Program; (6) participate in or construct necessary land drainage facilities; (7) pay any authorized fees and expenditures incident to making the loan; (8) none of the proceeds of an FD loan shall be used to purchase or refinance machinery, tools, equipment, livestock, and similar items not generally considered appurtenances to the land."

Tenant-purchase loan advances from the beginning of the program through October 31, 1942, totaled $157,065,000. Of this amount, $147,965,000 was outstanding as of October 31, 1942. A year earlier total cumulative advances amounted to $111,445,000, and the amount outstanding was $107,368,000. Now included within the category of farm-development loans are the special real estate loans and the farm-and-home-improvement loans formerly made by the Farm Security Administration. The total cumulative amount of advances on October 31, 1942 for these loans was $5,007,000 and the amount outstanding on this date was $4,861,000. The farm-enlargement loans program is very new, and by October 31, 1942, applications for these loans had been received in county offices from 300 farmers.

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## LENDING ACTIVITIES OF THE PRODUCTION CREDIT ASSOCIATIONS 1/

Since our entrance into the war the 530 production credit associations now in operation have expanded their lending activities to comply with the increased credit needs of farmers and ranchers. They made 239,048 loans totaling 472.8 million dollars during the 12 months from October 1, 1941 to September 30, 1942 compared with 228,752 loans totaling 398.5 million in the preceding 12 months. In spite of these expanded lending activities, the amount of loans outstanding on September 30 increased only from 207.6 million to 224.9 million during these 12 months. This shows that the increase in repayments was proportionately even larger than the increase in new borrowings.

Quotations that follow are from a recent pamphlet of the Farm Credit Administration which describes the principles applied in making production credit association loans. "To set up a loan that will properly meet the applicant's individual requirements throughout a production period requires a careful farm-management analysis of the applicant's operation by someone who knows what is necessary to successfully carry on such a business. Major consideration must be given to the repayment ability of the farming business as indicated by a well-considered projection of necessary costs and probable income from which debts can be repaid without requiring the sale of chattels

1/ Based largely on The Production Credit System, Farm Credit Administration, U. S. Dept. of Agriculture, Kansas City, Mo., Oct. 1942.

essential to the continuation of the business. The practical knowledge of local farming enterprises possessed by association directors and other personnel is constantly being supplemented by intensive educational work designed to aid them in extending constructive credit service which will assist members to improve their financial position." A budgeted production credit association loan "serves the farmer in many ways. It saves greatly in interest, compared with borrowing the full amount for the full period; it saves bother and expensive trips, if small amounts are borrowed at different times; it sets up a program in which the farmer is sure that the funds will be available at a specific time so that he can make definite future plans, and it provides for orderly retirement of the loan as products are sold."

More than half of the production credit association loans were for less than $500 and more than three-fourths were for less than $1,000. The distribution of production credit association loans by size is shown in table 1.

Table 1.- Number of persons served by production credit associations, and percentage of number served, by size of loan groups, by districts, 1940

| District | Size of loans by districts | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Total number of persons served in 1940 | Percentage of total number of persons served in 1940 whose maximum balances during the year were within specified ranges | | | | | | |
| | | $100 or less | $101 to 250 | $251 to 500 | $501 to 1,000 | $1,001 to 2,000 | $2,001 to 5,000 | More than $5,000 |
| | Number | Pct. | Pct. | Pct. | Pct. | Pct. | Pct. | Pct. |
| Springfield | 13,625 | 4.1 | 9.9 | 21.7 | 27.3 | 22.0 | 12.3 | 2.7 |
| Baltimore | 13,592 | 6.3 | 18.6 | 27.4 | 25.2 | 13.3 | 6.5 | 2.7 |
| Columbia | 45,904 | 14.9 | 36.7 | 28.7 | 11.3 | 3.6 | 2.7 | 1.1 |
| Louisville | 41,829 | 6.5 | 21.0 | 29.3 | 24.8 | 12.4 | 4.8 | 1.2 |
| New Orleans | 29,529 | 20.6 | 32.2 | 20.6 | 11.4 | 7.1 | 5.4 | 2.7 |
| St. Louis | 32,349 | 6.3 | 19.4 | 25.0 | 23.1 | 15.2 | 8.5 | 2.5 |
| St. Paul | 31,355 | 4.1 | 14.4 | 30.8 | 32.4 | 14.1 | 3.7 | .5 |
| Omaha | 10,481 | 1.5 | 5.9 | 19.0 | 27.2 | 21.8 | 15.9 | 8.7 |
| Wichita | 12,589 | 4.8 | 14.9 | 21.6 | 22.6 | 16.7 | 11.7 | 7.7 |
| Houston | 13,524 | 5.4 | 16.6 | 20.5 | 20.9 | 16.3 | 12.0 | 8.3 |
| Berkeley | 7,659 | 2.4 | 5.5 | 12.4 | 20.3 | 22.3 | 20.3 | 16.8 |
| Spokane | 8,989 | 1.5 | 5.5 | 12.8 | 20.8 | 21.5 | 20.9 | 17.0 |
| Total | 256,425 | 8.3 | 21.0 | 25.2 | 21.4 | 13.0 | 7.5 | 3.6 |

"The total loan cost to borrowers including interest, inspection cost, searching chattel records, filing and recording fees, releasing mortgages, and other miscellaneous minor legal costs directly connected with closing loans, amounted in 1941 to 5.42 percent per annum on the average month-end balance of loans outstanding. This percentage figure compares with 5.56 percent in 1940 and 5.84 percent in 1939, which shows a gradual reduction in loan costs... In fact, in 84 of the associations the average

per annum cost is less than 5 percent, but there are certain small-loan areas in which the median loan is for less than $250 and the loans are outstanding for a short period of time, where the total loan cost to borrowers on a per annum basis is higher."

The net worth of the production credit associations increased by 44 percent between December 31, 1935 and June 30, 1942. The changes in the composition of the net worth are shown in table 2.

Table 2.- Distribution of net worth of production credit associations on December 31, 1935 and June 30, 1942

| | December 31, 1935 | | June 30, 1942 | |
|---|---|---|---|---|
| | Dollars | Percent | Dollars | Percent |
| Production credit corporation stock holdings ...... | 76,802,550 | 87.1 | 81,500,765 | 64.2 |
| Farmers' stock holdings .... | 8,410,885 | 9.5 | 21,632,867 | 17.0 |
| Reserves .................. | 2,954,236 | 3.4 | 23,789,162 | 18.8 |
| Total net worth .......... | 88,167,671 | 100.0 | 126,922,794 | 100.0 |

The pamphlet stresses that if production credit associations are to be available as efficient lenders in periods of credit stringency they must continue their lending activities through periods of easy money conditions as well. "Congress enacted legislation during an emergency period to enable farmers and stockmen to establish these associations, not as emergency agencies, however, but as permanent institutions in the short-term credit field. Safety and permanency could not be attained by the associations if they made loans only during periods of depression when many other lending agencies necessarily curtail their extension of credit, and then the associations ceased or greatly reduced their operations during periods of strong demand and good prices, when other credit sources are seeking fields for investment. The adoption of such a practice would mean that during favorable periods associations would require their member-stockholders to obtain credit elsewhere, and yet in periods of depression, when other credit facilities became unavailable, they would have to be in a position to finance these members and other farmers. Furthermore, the associations would be unable to retain trained and experienced credit men with intermittent employment and the fundamental contributing factor toward the extension of proper credit to meet the farmers' needs would be lost from the system."

The loan experience of the production credit associations has been good. "From their organization through 1941 the associations, including those in liquidation, have had net charge-offs of $2,638,463, and as of December 31, 1941, had made provision for estimated losses in the amount of $1,799,139... The total amount of cash advanced on loans by all associations from their organization through December 31, 1941, was $1,714,708,756. The total losses on loans from organization to December 31, 1941, including charge-offs plus the total provision for estimated losses (valuation reserves), amounted to $4,437,602 at the end of 1941. This represented 0.26 percent of the total cash advances from organization through December 31, 1941.

## CROP INSURANCE

The Federal Crop Insurance Corporation is completing its fourth year of experience with wheat, and its first year with cotton. Contracts were in force on approximately 397,000 insured interests in wheat and 176,000 insured units in cotton in 1942.1/ Settlement of losses on the 1942 crop has not been completed, although it is nearer completion on wheat than on cotton. Preliminary reports indicate that wheat indemnities will exceed premiums by a little less than 2 million bushels (appendix table 24). Early reports on cotton loss settlements reflect small loss settlements in comparison to premiums collected, but latest figures show that indemnities will equal, if not exceed premiums.

The last closing date for acceptance of insurance on the 1943 winter wheat crop has passed, but spring wheat growers in some States have until March 15 to apply for insurance on their 1943 crop. Approximately 350,000 contracts had been written, covering about 460,000 farms, by November 1. As 450,000 farms had been insured at a corresponding date in 1941, it is expected that participation will exceed that for 1942. Complete data which show participation in the cotton-crop insurance program in 1943 are not yet available.

Crop insurance covers unavoidable risks not attributable to the operator, such as drought, excessive moisture, flood, hail, frost, plant diseases and insect injury. Shortages of labor, equipment, and supplies due to the war have been interpreted as unavoidable. Consequently, producers are not excluded from indemnification for crop losses caused by war-created shortages of these essentials to production, although savings in production costs effected because of inability to follow the usual practices are deductible.

A new procedure was introduced in 1942 whereby an operator who takes insurance signs a commodity note for the amount of his premium, which note matures about harvest time.2/ The principal of the note is the premium in

1/ The term "insured interest" applies to wheat and is defined as each individual's interest in the wheat crop on each farm. The comparable term for cotton is "insured unit," and is the interest of each individual on the acreage considered as a farm for the purpose of establishing an average yield and premium rate.

2/ Prior to 1942, premiums were collected (commodity or cash equivalent) before the insurance went into effect. In 1939 the Secretary of Agriculture was permitted to advance to the Federal Crop Insurance Corporation the amount of the premium for a farm out of payments to be earned by the farmer under the Agricultural Conservation Program. This provision was used in the spring wheat area in 1939 and for all areas in 1940 and 1941. The practice of signing a commodity note made this provision practically inoperative. Data showing the volume of advances are given in table 26, Agricultural Finance Review, May 1941, p. 78.

pounds of cotton or bushels of wheat. This feature enables the farmer to pay for his insurance out of his current production or to have it deducted from any indemnity that might be due him. It also eliminates the necessity of holding the premiums as a commodity reserve during the growing season, resulting in a substantial saving in operating costs.

Other technical changes involved, in 1942, the inclusion of all farms owned or operated by the same individual in a county under a single contract. Before that time, separate contracts were issued to landlord and tenant on each farm unit insured. The term "insured interests" is applied to each equity in separate units in 1943 and is comparable to "contracts" prior to 1942.

As the 1943 wheat contracts will be for 3 years, farmers who insure wheat in 1943 are insured also for 1944 and 1945. These long-term contracts are intended to avoid year-to-year selectivity and to reduce costs by eliminating the necessity of reselling insurance to producers every year. An annual contract will be used again for cotton insurance in 1943.

## Wheat

Each year more farmers have insured their wheat crops. The number of contracts for 1940 was double that for 1939; and in 1941, was slightly more than in 1940. In 1942 the insurable interests covered by contracts in force (comparable to contracts in force in previous years) showed a marked increase. Indications are that participation in 1943 will exceed that for 1942.

Conditions immediately prior to the closing date for acceptance of applications affect the amount of participation. A good crop the preceding year combined with good seeding conditions reduces the feeling of need for insurance; the opposite conditions tend to increase participation, particularly in areas of high risk. The doubling of participation in 1940 took place largely in the hard red winter wheat area. There farmers saw crop insurance in operation in a year of less-than-average yields, and the seeding conditions in 1940 were below normal. There was a decrease in the number of contracts written in 1941 and a further decrease in 1942 and 1943 in the western part of the States in the southwest plains area (hard red winter) in part a result of good seeding conditions for 3 years. But there was more than an offsetting increase in the eastern parts of these States and adjacent States to the eastward (soft red winter) in 1942 partly as a result of heavy winterkill on the 1941 crop and a further increase in 1943 partly as a result of heavy losses on the 1942 crop due to excess moisture. Although insured acreage has not increased in the same ratio as the number of farmers, the insured production has about kept pace due to higher yields and coverage in the Central States.

In each of the first 3 years, indemnities paid by the Federal Crop Insurance Corporation on wheat contracts were in excess of premiums collected. Final reports are not available for 1942, but preliminary reports show that indemnities will again exceed premiums but by a smaller amount than in previous years.

## Cotton

The organization and administration of the cotton insurance program is rather like that for wheat. It was put into effect in 18 States throughout the Cotton Belt in 1942. Preliminary figures show that the crop on approximately 176,000 farming units, representing about 2,000,000 acres, or approximately 11 percent of the 1942 cotton acreage allotment, were covered by insurance this year.

The number of farming units insured and the premiums to be collected (expressed in pounds of cotton), by States, for the crop harvested in 1942 are shown in table 1.

Table 1.- Cotton crop insurance: Number of farming units insured and amount of premiums collected on the 1942 crop 1/

| State | Number of units | Amount of premiums | State | Number of units | Amount of premiums |
|---|---|---|---|---|---|
| | Number | Pounds | | Number | Pounds |
| Alabama | 12,004 | 1,324,823 | Missouri | 3,990 | 530,248 |
| Arizona | 697 | 312,780 | New Mexico | 1,778 | 815,384 |
| Arkansas | 8,722 | 1,329,155 | North Carolina | 9,678 | 548,693 |
| California | 1,459 | 583,473 | Oklahoma | 9,900 | 1,791,766 |
| Florida | 917 | 55,917 | South Carolina | 20,712 | 3,242,583 |
| Georgia | 25,899 | 3,575,610 | Tennessee | 3,882 | 261,258 |
| Illinois | 307 | 30,293 | Texas | 54,355 | 13,986,475 |
| Kentucky | 339 | 17,920 | Virginia | 655 | 30,697 |
| Louisiana | 11,659 | 1,940,809 | | | |
| Mississippi | 9,544 | 1,257,907 | Total | 176,497 | 31,635,791 |

1/ Interim report as of January 16, 1943, subject to revision.

An interesting adjustment was made in the crop insurance plan to include cottonseed. The general plan is based on lint, but cottonseed is included by increasing lint premiums and indemnities 19 percent.

As in wheat, claims for indemnities are filed with the county Agricultural Adjustment Administration committees. Present data regarding losses to be paid are preliminary, but they indicate that indemnities will equal or exceed premiums.

## TRENDS IN SHORT-TERM LOANS TO FARMERS

The volume of short-term loans[1] to farmers held by insured commercial banks, agencies supervised by the Farm Credit Administration, and the Farm Security Administration (appendix table 2) continued to increase from July 1, 1941 to July 1, 1942, the rate of increase being 2.9 percent, as compared with 2.4 percent in the year ended July 1, 1941 and 2.1 percent in the year ended July 1, 1940.

The volume of loans to farmers held by insured commercial banks decreased slightly in each of the 3 years. The volume of short-term loans to farmers held by agencies supervised by the Farm Credit Administration increased in the same years by 2.6, 4.6, and 5.4 percent respectively, and the volume of such loans as held by the Farm Security Administration, by 14.2, 13.3, and 9.7 percent respectively. In each of these 3 years the increases in the volume of loans held by agencies supervised by the Farm Credit Administration and the Farm Security Administration outweighed the decreases in the loan volume of commercial banks.

The relative importance of the various kinds of institutions providing short-term credit to farmers (exclusive of the Commodity Credit Corporation) changed only slightly from 1941 to 1942. In the main this development was a continuation of trends which have prevailed since the middle of 1939. Within that period the share of the insured commercial banks in the volume of short-term farm loans of these three groups of agencies decreased from 63.1 to 57.2 percent; that of the regional agricultural credit corporations and the Emergency Crop and Feed Loan Office decreased from 10.1 to 8.9 percent; that of loans of the Federal intermediate credit banks to private financing institutions remained about the same; that of the production credit associations increased from 9.9 to 12.1 percent; and that of rural rehabilitation loans of the Farm Security Administration increased from 14.8 to 19.5 percent.

Shifts in the importance of the various lender groups in important agricultural regions are shown in table 2.

Commodity Credit Corporation loans held by banks and other lenders under purchase agreements increased from $115,036,000 on July 1, 1941 to $165,459,000 on July 1, 1942 (table 3). The seasonal reduction during the first half of 1942 was of much larger proportion than usual as a result of the substantial volume of wheat loans liquidated by transfer to the Commodity Credit Corporation.

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1/ This term, as commonly used, includes all non-real-estate loans irrespective of the fact that many of them are made for intermediate terms and some even for long terms.

Table 1.- Short-term loans to farmers held by insured commercial banks, agencies supervised by Farm Credit Administration, and Farm Security Administration, July 1, 1937 to date

| July 1 | Insured commercial banks | Agencies supervised by the Farm Credit Administration 1/ | Farm Security Administration | Total |
|---|---|---|---|---|
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| 1937 | 726,400 | 418,152 | 171,394 | 1,315,946 |
| 1938 | 925,705 | 425,443 | 207,239 | 1,558,387 |
| 1939 | 1,193,466 | 416,786 | 280,528 | 1,890,780 |
| 1940 | 1,182,721 | 427,819 | 320,324 | 1,930,864 |
| 1941 | 1,167,204 | 447,500 | 362,911 | 1,977,615 |
| 1942 | 1,164,452 | 471,772 | 398,283 | 2,034,507 |

1/ Data for various types of these agencies are shown in appendix table 2.

Table 2.- Amount of short-term loans held by insured commercial banks, agencies supervised by Farm Credit Administration, and Farm Security Administration, showing indexes, by selected agricultural regions, July 1, 1937 to date

CORN BELT STATES 1/

| July 1 | Insured commercial banks | | Agencies supervised by the Farm Credit Administration | | Farm Security Administration | |
|---|---|---|---|---|---|---|
| | Amount | Index (1937=100) | Amount | Index (1937=100) | Amount | Index (1937=100) |
| | 1,000 dollars | | 1,000 dollars | | 1,000 dollars | |
| 1937 | 228,317 | 100.0 | 285,213 | 100.0 | 34,659 | 100.0 |
| 1938 | 289,446 | 126.8 | 349,379 | 122.5 | 43,092 | 124.3 |
| 1939 | 435,565 | 190.8 | 500,840 | 175.6 | 57,428 | 165.7 |
| 1940 | 474,113 | 207.7 | 612,460 | 214.7 | 64,400 | 185.8 |
| 1941 | 426,883 | 187.0 | 501,817 | 175.9 | 68,262 | 197.0 |
| 1942 | 419,033 | 183.5 | 497,036 | 174.3 | 68,485 | 197.6 |
| | COTTON GROWING STATES 2/ | | | | | |
| 1937 | 95,670 | 100.0 | 163,764 | 100.0 | 44,817 | 100.0 |
| 1938 | 157,238 | 164.4 | 226,623 | 138.4 | 53,495 | 119.4 |
| 1939 | 199,607 | 208.6 | 268,871 | 164.2 | 79,139 | 176.6 |
| 1940 | 142,626 | 149.1 | 216,235 | 132.0 | 90,802 | 202.6 |
| 1941 | 138,599 | 144.9 | 221,883 | 135.5 | 111,293 | 248.3 |
| 1942 | 141,666 | 148.1 | 230,235 | 140.6 | 132,810 | 296.3 |
| | RANGE STATES 3/ | | | | | |
| 1937 | 68,644 | 100.0 | 140,730 | 100.0 | 18,803 | 100.0 |
| 1938 | 76,287 | 111.1 | 148,037 | 105.2 | 25,779 | 137.1 |
| 1939 | 81,110 | 118.2 | 147,059 | 104.5 | 35,681 | 189.8 |
| 1940 | 87,387 | 127.3 | 153,971 | 109.4 | 40,350 | 214.6 |
| 1941 | 97,179 | 141.6 | 161,861 | 115.0 | 43,532 | 231.5 |
| 1942 | 97,145 | 141.5 | 159,957 | 113.7 | 48,030 | 255.4 |

1/ Ill., Ind., Iowa., Minn., Mo., Nebr., and Ohio.
2/ Ala., Ark., Ga., La., Miss., N. C., Okla., and S. C.
3/ Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, and Wyo.

Table 3.- Loans to farmers under price support programs of the Commodity Credit Corporation, 1937 to date

| Date | Loans held by the Commodity Credit Corporation | Loans held by banks and others | Total |
|---|---|---|---|
| | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| July 1, 1937 | 116,800 | 43 | 116,843 |
| Jan. 1, 1938 | 173,134 | 139,390 | 312,524 |
| July 1, 1938 | 228,900 | 144,099 | 372,999 |
| Jan. 1, 1939 | 308,951 | 310,600 | 619,551 |
| July 1, 1939 | 330,130 | 388,559 | 718,689 |
| Jan. 1, 1940 | 173,027 | 237,065 | 410,092 |
| July 1, 1940 | 150,196 | 227,856 | 378,052 |
| Jan. 1, 1941 | 252,287 | 377,175 | 629,462 |
| July 1, 1941 | 213,431 | 115,036 | 328,467 |
| Jan. 1, 1942 1/ | 132,614 | 477,538 | 610,152 |
| July 1, 1942 1/ | 159,671 | 165,459 | 325,130 |

1/ In the 1941 cotton program, all producers' notes except those held by co-operative marketing associations have been placed in a pool, so that they may be readily available for collection whenever a producer, or his assignee, wishes to redeem the pledged cotton. Certificates of interest, indicating the extent of the holder's participation in the pool of notes, have been issued to the banks and other lending agencies making loans. On January 1 and July 1, 1942, banks and other lending agencies held such certificates in the amounts of $86,282,700 and $48,500,000 respectively. In this table these amounts are included with loans held by banks and other lenders, but in appendix table 2 they are included with loans held by Commodity Credit Corporation.

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Farm Land Values Rise Moderately.- According to a preliminary index prepared by the Bureau of Agricultural Economics, average value per acre of farm real estate in the United States (1912-14 = 100) rose from 91 on July 1 to 93 on November 1. The figure for last March was 91, compared with 85 in 1941, 84 in 1940, and a low of 73 in 1933. Although farm land values per acre on November 1 were reported 27 percent higher than at the low point of 1933, they are still 7 percent below the 1912-14 base and 45 percent under the 1920 peak.

Largest regional gains from July 1 to November 1, approximately 3 percent, were registered in the East North Central, South Atlantic, and Mountain States. Values rose in 31 States, declined in 6, and remained unchanged in 11. From March 1 to November 1, 1942 increases of 5 percent or more in farm land values were reported for 12 States, the largest gain being 12 percent in Colorado. In 4 States, values did not change during this 6-month period.

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Table 1.- Farm-mortgage debt: Total outstanding and amounts held by selected lending agencies, United States, 1910, 1920, 1930, 1935-42 1/

| Beginning of year or month | Total farm-mortgage debt | Amounts held by selected lending agencies | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Federal land banks and Land Bank Commissioner | Joint stock land banks 2/ | Life insurance companies 3/ | Commercial banks 4/ | Three State credit agencies 5/ | Farm Security Administration | |
| | | | | | | | Construction and special real estate loans 6/ | Tenant purchase and development 7/ |
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| 1910 ........ | 3,207,863 | | | 386,961 | 406,248 | | | |
| 1920 ........ | 8,448,772 | 896,386 | 60,038 | 974,826 | 1,204,383 | 8/ | | |
| 1930 ........ | 9,630,768 | 1,185,765 | 626,980 | 2,105,477 | 997,468 | 93,274 | | |
| 1935 ........ | 7,785,971 | 2,501,824 | 255,931 | 1,258,900 | 498,842 | 62,286 | | |
| 1936 ........ | 7,638,867 | 2,853,966 | 175,677 | 1,054,770 | 487,505 | 48,091 | | |
| 1937 ........ | 7,389,797 | 2,888,912 | 133,499 | 936,454 | 487,534 | 32,657 | | |
| 1938 ........ | 7,214,138 | 2,835,962 | 104,163 | 895,470 | 501,450 | 24,657 | 3,615 | 0 |
| 1939 ........ | 7,070,896 | 2,723,022 | 87,362 | 887,336 | 519,276 | 17,281 | 6,220 | 8,949 |
| 1940 ........ | 6,909,794 | 2,583,901 | 65,719 | 883,414 | 534,170 | 14,823 | 6,373 | 32,212 |
| 1941: | | | | | | | | |
| January ... | 6,824,126 | 2,488,232 | 48,766 | 890,516 | 543,408 | 9/ 12,380 | 7,400 | 9/ 65,624 |
| April ..... | - | 2,463,930 | 45,905 | - | - | - | 7,451 | 9/ 77,229 |
| July ...... | - | 2,437,087 | 43,630 | - | 551,126 | - | 7,687 | 91,396 |
| October ... | - | 2,400,568 | 38,860 | - | - | - | 8,664 | 103,571 |
| 1942: | | | | | | | | |
| January ... | 6,713,835 | 2,350,346 | 33,441 | 907,141 | 535,212 | 12,113 | 8,929 | 112,880 |
| April ..... | - | 2,300,273 | 31,017 | - | - | - | 9,278 | 129,073 |
| July ...... | - | 2,262,847 | 27,366 | 10/ 920,640 | 521,247 | - | 10,374 | 138,318 |

1/ Excludes territories and possessions.
2/ Includes joint stock land banks in receivership.
3/ Estimates based upon direct reports from life insurance companies, official reports submitted to State insurance commissioners, and "Best's Life Insurance Reports."
4/ 1935-42 insured commercial banks, prior to 1935 open State and national banks.
5/ Department of Rural Credit of Minnesota, Bank of North Dakota, and Rural Credit Board of South Dakota.
6/ In addition to loans for construction of farmstead improvements, this now includes special real estate loans except those made from State corporation trust funds, data not being available for all years. Special real estate loans from trust funds totaled $305,000 on July 1, 1942.
7/ Includes loans from State corporation trust funds.
8/ Data not available.
9/ Revised.
10/ Preliminary.

Table 2.- Short-term loans to farmers held by selected lending agencies, United States, 1930-42 1/

| Beginning of year or month | Commercial banks 2/ | Agencies supervised by Farm Credit Administration | | | | | Farm Security Administration 5/ | Commodity Credit Corporation 6/ |
|---|---|---|---|---|---|---|---|---|
| | | Federal intermediate credit banks 3/ | Production credit associations 4/ | Regional agricultural credit corporations | Emergency crop loans | Drought-relief loans | | |
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| 1930 ........ | 7/ | 50,018 | | | 8/ 8,946 | | | |
| 1931 ........ | 8/ 1,936,360 | 65,633 | | | 7/ | | | |
| 1932 ........ | 7/ | 74,691 | | | 49,769 | | | |
| 1933 ........ | 7/ | 82,518 | | 24,373 | 90,353 | | | |
| 1934 ........ | 7/ | 60,989 | 27 | 144,636 | 90,863 | | | 64,577 |
| 1935 ........ | 807,613 | 55,672 | 60,852 | 87,102 | 76,794 | 32,444 | 5,600 | 9/ 32,591 |
| 1936 ........ | 8/ 661,606 | 47,162 | 94,096 | 43,400 | 107,350 | 65,514 | 62,900 | 271,219 |
| 1937 ........ | 593,614 | 41,017 | 105,212 | 25,288 | 104,972 | 60,397 | 131,600 | 9/ 204,500 |
| 1938 ........ | 788,351 | 40,464 | 138,169 | 15,592 | 115,588 | 57,113 | 162,802 | 173,134 |
| 1939 ........ | 1,064,667 | 33,545 | 148,037 | 11,081 | 116,725 | 54,764 | 209,808 | 308,951 |
| 1940 ........ | 1,094,392 | 33,354 | 154,496 | 8,005 | 115,775 | 52,555 | 276,233 | 173,027 |
| 1941: | | | | | | | | |
| January ... | 1,281,275 | 34,102 | 172,312 | 5,855 | 117,980 | 50,458 | 9/ 312,877 | 252,287 |
| April ..... | 7/ | 37,120 | 195,296 | 5,691 | 124,855 | 49,983 | 9/ 329,471 | 242,589 |
| July ...... | 1,167,204 | 42,184 | 221,419 | 6,658 | 129,800 | 49,687 | 9/ 362,911 | 213,431 |
| October ... | 7/ | 42,631 | 207,887 | 6,833 | 124,765 | 49,222 | 360,856 | 148,963 |
| 1942: | | | | | | | | |
| January ... | 1,449,937 | 39,222 | 187,668 | 5,531 | 117,085 | 47,889 | 339,555 | 218,897 |
| April ..... | 7/ | 42,716 | 219,184 | 3,819 | 10/ 126,802 | 47,108 | 367,383 | 206,944 |
| July ...... | 1,164,452 | 46,924 | 247,895 | 4,249 | 10/ 130,410 | 46,655 | 398,283 | 208,171 |

1/ Excludes loans to farmers' cooperative organizations, which are shown in table 3. Except for commercial banks, includes loans in territories and possessions.
2/ Insured commercial banks only, except in 1931 when all open national and State banks are included. All agricultural loans except those secured by farm real estate are included.
3/ Loans to and discounts for private financing institutions.
4/ Includes data for production credit associations which have been placed in liquidation.
5/ Rural rehabilitation loans to individuals. Includes loans from funds of State rural rehabilitation corporations and loans made by Resettlement Administration. Data prior to 1939 partially estimated.
6/ Excludes loans held by other financing institutions, mainly commercial banks, but covered by Commodity Credit Corporation purchase agreements.
7/ Data unavailable.
8/ June 30.
9/ Revised.
10/ Includes orchard loans.

Table 3.- Loans to farmers' cooperative organizations held by selected lending agencies, United States, 1929-42

| Beginning of year or month | Agencies supervised by Farm Credit Administration | | | Rural Electrification Administration | Farm Security Administration 1/ | Commodity Credit Corporation |
|---|---|---|---|---|---|---|
| | Federal intermediate credit banks | Banks for cooperatives | Agricultural Marketing Act revolving fund | | | |
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| 1929 ............ | 36,174 | | | | | |
| 1930 ............ | 26,073 | | 14,510 | | | |
| 1931 ............ | 64,377 | | 136,698 | | | |
| 1932 ............ | 45,177 | | 156,280 | | | |
| 1933 ............ | 9,866 | | 158,885 | | | |
| 1934 ............ | 15,211 | 18,697 | 157,752 | | | 0 |
| 1935 ............ | 33,969 | 27,851 | 54,863 | | 0 | 0 |
| 1936 ............ | 2,731 | 50,013 | 44,433 | 10 | 1,515 | 0 |
| 1937 ............ | 1,641 | 69,647 | 53,754 | 2,456 | 2,603 | 7,532 |
| 1938 ............ | 1,813 | 87,633 | 30,982 | 30,015 | 3,732 | 9,677 |
| 1939 ............ | 920 | 87,496 | 23,723 | 79,350 | 8,412 | 49,498 |
| 1940 ............ | 1,835 | 76,252 | 20,547 | 169,122 | 11,550 | 26,812 |
| 1941: | | | | | | |
| January ....... | 1,490 | 74,741 | 16,461 | 232,086 | 15,125 | 27,931 |
| April ......... | 1,332 | 70,231 | 15,967 | 252,913 | 2/ 16,082 | 26,189 |
| July .......... | 689 | 73,747 | 15,644 | 2/ 269,867 | 2/ 16,798 | 23,567 |
| October ....... | 1,034 | 94,097 | 15,732 | 3/ | 20,756 | 23,476 |
| 1942: | | | | | | |
| January ....... | 2,152 | 113,444 | 16,914 | 304,807 | 25,388 | 14,370 |
| April ......... | 2,569 | 106,461 | 16,252 | 3/ | 30,604 | 10,872 |
| July .......... | 1,054 | 101,226 | 12,628 | 323,991 | 35,009 | 11,279 |

1/ In addition to loans to cooperative associations, this now includes loans to defense relocation corporations, but excludes loans to individuals to participate in cooperative enterprises. Loans to defense relocation corporations totaled $9,908,000 on July 1, 1942. Includes loans from State corporation trust funds.
2/ Revised.
3/ Not available.

Table 4.- Amount of Federal land bank and Land Bank Commissioner loans closed and estimated amount of farm mortgages recorded by other lenders, United States, 1934-42

| Period | Loans closed 1/ | | Estimated amount of mortgages recorded by other lenders 2/ | | | | | Total all lenders |
|---|---|---|---|---|---|---|---|---|
| | Federal land banks | Land Bank Commissioner | Individuals | Commercial banks | Insurance companies | Miscellaneous | Total | |
| | Million dollars | Million dollars | Million dollars | Million dollars | Million dollars | Million dollars | Million dollars | Million dollars |
| 1934 .......... | 730.1 | 553.0 | 219.6 | 110.9 | 45.7 | 80.8 | 457.0 | 1,740.1 |
| 1935 .......... | 247.6 | 195.9 | 257.8 | 164.9 | 76.4 | 71.7 | 570.8 | 1,014.3 |
| 1936 .......... | 108.6 | 76.9 | 255.3 | 186.1 | 115.1 | 60.4 | 616.9 | 802.4 |
| 1937 .......... | 62.8 | 39.7 | 262.9 | 212.8 | 128.2 | 51.3 | 655.2 | 757.7 |
| 1938 .......... | 51.3 | 29.1 | 234.1 | 210.0 | 137.4 | 61.3 | 642.8 | 723.2 |
| 1939 .......... | 51.5 | 27.2 | 226.7 | 217.8 | 138.0 | 67.8 | 650.3 | 729.0 |
| 1940 .......... | 63.9 | 36.4 | 225.6 | 219.9 | 145.5 | 81.2 | 672.2 | 772.5 |
| 1941: 3/ ...... | 64.7 | 37.3 | 247.7 | 221.3 | 160.5 | 102.5 | 732.0 | 834.0 |
| Jan.-March .. | 21.2 | 12.1 | 72.7 | 64.0 | 55.7 | 25.7 | 218.1 | 251.4 |
| Apr.-June ... | 16.8 | 9.7 | 58.4 | 55.1 | 36.9 | 24.5 | 174.9 | 201.4 |
| July-Sept. .. | 12.8 | 7.4 | 48.0 | 47.2 | 30.7 | 24.3 | 150.2 | 170.4 |
| Oct.-Dec. ... | 13.9 | 8.2 | 68.5 | 55.0 | 37.1 | 28.1 | 188.7 | 210.8 |
| 1942: | | | | | | | | |
| Jan.-March .. | 17.4 | 9.3 | 74.8 | 60.7 | 57.5 | 30.7 | 223.7 | 250.4 |
| Apr.-June ... | 17.4 | 9.8 | 60.8 | 47.6 | 39.8 | 21.1 | 169.3 | 196.5 |

1/ Excluding Puerto Rico.
2/ Based on reports from counties including from 31 to 49 percent of the farms in the United States.
3/ Sum of quarterly figures will not always equal annual total because of rounding of figures.

Farm Credit Administration.

Table 5.- Estimated amount of farm-mortgage debt, by States,
Jan. 1. 1910, 1923, 1930, 1935, and 1939-42 1/

| State and division | 1910 | 1923 | 1930 | 1935 | 1939 | 1940 | 1941 | 1942 |
|---|---|---|---|---|---|---|---|---|
| | 1,000 dol. | 1,000 dol. | 1,000 dol. | 1,000 dol. | 1,000 dol. | 1,000 dol. | 1,000 dol. | 1,000 dol. |
| Maine | 13,055 | 27,950 | 27,613 | 30,626 | 30,907 | 30,427 | 30,732 | 29,636 |
| New Hampshire | 5,647 | 9,320 | 11,756 | 12,423 | 13,551 | 13,738 | 13,920 | 14,390 |
| Vermont | 14,716 | 31,537 | 35,365 | 31,390 | 33,538 | 34,085 | 34,640 | 35,017 |
| Massachusetts | 20,206 | 34,283 | 48,984 | 49,613 | 53,846 | 54,497 | 55,120 | 55,328 |
| Rhode Island | 1,977 | 2,583 | 4,632 | 4,065 | 4,597 | 4,548 | 4,537 | 4,480 |
| Connecticut | 14,601 | 36,456 | 43,358 | 47,886 | 50,135 | 51,030 | 51,952 | 53,202 |
| New England | 70,202 | 142,129 | 171,708 | 176,003 | 186,574 | 188,325 | 190,901 | 192,053 |
| New York | 145,737 | 242,511 | 233,791 | 213,634 | 209,085 | 206,112 | 202,754 | 198,286 |
| New Jersey | 30,555 | 48,671 | 54,180 | 49,206 | 50,018 | 50,215 | 50,869 | 51,267 |
| Pennsylvania | 93,424 | 172,200 | 168,492 | 150,738 | 141,578 | 139,530 | 138,553 | 138,561 |
| Middle Atlantic | 269,716 | 463,382 | 456,463 | 413,578 | 400,681 | 395,857 | 392,176 | 388,114 |
| Ohio | 114,874 | 271,081 | 272,738 | 224,261 | 208,005 | 207,308 | 205,549 | 204,061 |
| Indiana | 113,276 | 293,448 | 269,913 | 224,169 | 201,480 | 198,996 | 197,129 | 190,384 |
| Illinois | 267,361 | 705,644 | 614,059 | 483,342 | 432,070 | 420,927 | 414,318 | 403,581 |
| Michigan | 113,278 | 251,664 | 221,432 | 187,493 | 177,394 | 173,959 | 171,901 | 168,358 |
| Wisconsin | 198,219 | 569,846 | 505,472 | 415,741 | 390,097 | 382,687 | 374,561 | 364,378 |
| East North Central | 807,008 | 2,091,683 | 1,883,614 | 1,535,006 | 1,409,046 | 1,383,877 | 1,363,458 | 1,330,762 |
| Minnesota | 144,477 | 606,134 | 476,210 | 411,162 | 351,030 | 343,512 | 338,578 | 334,279 |
| Iowa | 430,690 | 1,535,943 | 1,196,197 | 787,159 | 684,751 | 657,868 | 645,094 | 642,547 |
| Missouri | 207,279 | 511,571 | 442,820 | 286,460 | 249,673 | 2/ 244,183 | 245,730 | 246,034 |
| North Dakota | 97,830 | 312,870 | 239,772 | 203,958 | 164,862 | 153,459 | 144,253 | 137,983 |
| South Dakota | 84,943 | 451,281 | 293,080 | 216,592 | 165,750 | 151,910 | 144,125 | 139,066 |
| Nebraska | 148,366 | 691,732 | 510,453 | 431,686 | 355,417 | 334,560 | 317,491 | 305,542 |
| Kansas | 163,359 | 527,397 | 411,747 | 357,123 | 319,404 | 309,602 | 301,753 | 288,042 |
| West North Central | 1,276,944 | 4,636,928 | 3,570,279 | 2,694,140 | 2,290,887 | 2/2195,094 | 2,137,024 | 2,093,493 |
| Delaware | 5,775 | 9,564 | 9,581 | 8,668 | 8,150 | 7,979 | 8,038 | 8,261 |
| Maryland 3/ | 28,733 | 62,247 | 50,377 | 43,166 | 43,135 | 43,339 | 42,415 | 41,024 |
| Virginia | 22,181 | 83,374 | 91,000 | 75,093 | 71,613 | 70,566 | 69,464 | 67,950 |
| West Virginia | 7,771 | 26,322 | 26,177 | 24,459 | 22,710 | 22,064 | 21,749 | 21,147 |
| North Carolina | 17,028 | 81,386 | 111,880 | 93,905 | 85,631 | 84,923 | 86,569 | 83,204 |
| South Carolina | 20,583 | 98,154 | 64,433 | 49,336 | 44,921 | 43,243 | 42,457 | 42,093 |
| Georgia | 24,383 | 139,878 | 113,060 | 82,866 | 80,115 | 79,286 | 78,559 | 78,263 |
| Florida | 3,880 | 29,532 | 52,840 | 44,151 | 40,749 | 40,666 | 40,923 | 40,406 |
| South Atlantic | 130,334 | 530,457 | 519,348 | 421,644 | 397,024 | 392,066 | 390,174 | 382,348 |
| Kentucky | 36,296 | 115,793 | 116,250 | 105,225 | 105,299 | 105,729 | 107,364 | 107,980 |
| Tennessee | 21,687 | 83,091 | 115,280 | 92,316 | 87,922 | 87,047 | 85,442 | 81,243 |
| Alabama | 21,456 | 67,569 | 97,890 | 72,182 | 69,095 | 69,309 | 71,204 | 71,236 |
| Mississippi | 29,338 | 139,942 | 103,312 | 84,489 | 78,080 | 2/ 78,585 | 79,454 | 77,801 |
| East South Central | 108,777 | 406,395 | 432,732 | 354,212 | 340,396 | 2/ 340,670 | 343,464 | 338,260 |
| Arkansas | 17,485 | 117,784 | 99,085 | 68,593 | 66,078 | 66,213 | 67,135 | 67,264 |
| Louisiana | 18,683 | 57,354 | 63,838 | 59,750 | 54,495 | 53,299 | 52,993 | 52,332 |
| Oklahoma | 64,166 | 284,766 | 274,971 | 202,160 | 167,305 | 162,189 | 161,229 | 159,928 |
| Texas | 160,171 | 555,786 | 671,434 | 604,184 | 543,928 | 530,172 | 525,678 | 522,461 |
| West South Central | 260,505 | 1,015,690 | 1,109,328 | 934,687 | 831,806 | 811,873 | 807,035 | 801,985 |
| Montana | 16,952 | 192,092 | 129,744 | 110,179 | 99,308 | 96,504 | 95,497 | 92,326 |
| Idaho | 21,423 | 158,737 | 115,547 | 98,457 | 89,963 | 87,441 | 85,994 | 83,716 |
| Wyoming | 7,363 | 59,514 | 43,337 | 36,709 | 37,202 | 37,023 | 36,728 | 35,155 |
| Colorado | 35,492 | 203,064 | 138,248 | 109,359 | 97,117 | 94,965 | 94,143 | 92,457 |
| New Mexico | 4,301 | 32,297 | 38,954 | 27,492 | 27,325 | 26,768 | 26,094 | 25,648 |
| Arizona | 4,338 | 48,748 | 41,690 | 30,797 | 31,576 | 31,506 | 32,002 | 32,162 |
| Utah | 6,609 | 52,095 | 51,875 | 43,757 | 45,932 | 45,635 | 45,722 | 44,992 |
| Nevada | 2,977 | 25,053 | 15,617 | 17,464 | 17,492 | 17,782 | 16,989 | 16,802 |
| Mountain | 99,455 | 771,600 | 575,012 | 474,214 | 445,915 | 437,624 | 433,169 | 423,258 |
| Washington | 44,203 | 152,920 | 161,557 | 133,375 | 120,711 | 118,522 | 117,738 | 114,665 |
| Oregon | 33,304 | 133,368 | 135,917 | 116,408 | 104,756 | 103,957 | 103,319 | 101,167 |
| California | 107,415 | 441,069 | 614,810 | 532,704 | 543,100 | 541,929 | 545,668 | 547,730 |
| Pacific | 184,922 | 727,357 | 912,284 | 782,487 | 768,567 | 764,408 | 766,725 | 763,562 |
| UNITED STATES | 3,207,863 | 10,785,621 | 9,630,768 | 7,785,971 | 7,070,896 | 6,909,794 | 6,824,126 | 6,713,835 |

1/ Data for omitted years in Agricultural Finance Review, Nov. 1939.
2/ Revised.
3/ Including District of Columbia.

Table 6 .- Farm real estate loans held by selected lending agencies, by States, January 1, 1940-42 1/

| State and division | Federal land banks and Land Bank Commissioner 2/ | | | Joint stock land banks 2/ 3/ | | | Life insurance companies 4/ | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1940 | 1941 | 1942 | 1940 | 1941 | 1942 | 1940 | 1941 | 1942 |
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| Maine | 10,020 | 9,411 | 8,317 | 0 | 0 | 0 | 1 | 1 | 1 |
| New Hampshire | 2,087 | 1,999 | 1,894 | 0 | 0 | 0 | 0 | 0 | 0 |
| Vermont | 6,082 | 5,887 | 5,517 | 0 | 0 | 0 | 4 | 4 | 4 |
| Massachusetts | 10,991 | 10,588 | 10,026 | 0 | 0 | 0 | 8 | 7 | 7 |
| Rhode Island | 1,808 | 1,776 | 1,712 | 0 | 0 | 0 | 0 | 0 | 0 |
| Connecticut | 9,498 | 9,398 | 9,162 | 0 | 0 | 0 | 3 | 3 | 8 |
| New England | 40,486 | 39,059 | 36,628 | 0 | 0 | 0 | 16 | 15 | 20 |
| New York | 48,982 | 47,619 | 45,162 | 2,325 | 2,027 | 1,455 | 234 | 212 | 328 |
| New Jersey | 13,677 | 13,808 | 13,671 | 377 | 317 | 294 | 169 | 158 | 88 |
| Pennsylvania | 26,588 | 25,606 | 24,174 | 2,035 | 1,628 | 627 | 811 | 1,112 | 1,591 |
| Middle Atlantic | 89,247 | 87,033 | 83,007 | 4,737 | 3,972 | 2,376 | 1,214 | 1,482 | 2,007 |
| Ohio | 72,928 | 69,379 | 63,994 | 4,383 | 2,731 | 2,069 | 30,429 | 30,679 | 31,072 |
| Indiana | 88,941 | 84,417 | 77,685 | 10,089 | 8,709 | 6,934 | 55,566 | 58,206 | 59,152 |
| Illinois | 174,920 | 168,003 | 158,966 | 6,726 | 5,064 | 3,978 | 103,782 | 107,423 | 109,399 |
| Michigan | 69,948 | 66,922 | 62,532 | 896 | 791 | 499 | 3,056 | 2,962 | 2,862 |
| Wisconsin | 117,851 | 111,209 | 103,794 | 0 | 0 | 0 | 8,879 | 9,084 | 9,164 |
| East North Central | 524,588 | 499,930 | 466,971 | 22,094 | 17,295 | 13,480 | 201,712 | 208,354 | 211,649 |
| Minnesota | 154,141 | 147,333 | 140,121 | 327 | 260 | 208 | 50,489 | 53,575 | 56,404 |
| Iowa | 254,228 | 247,679 | 239,573 | 4,966 | 3,794 | 2,879 | 197,516 | 196,066 | 204,810 |
| Missouri | 57,234 | 55,273 | 52,094 | 1,775 | 757 | 308 | 5/ 55,366 | 57,293 | 59,991 |
| North Dakota | 88,617 | 81,227 | 76,188 | 39 | 27 | 16 | 4,050 | 3,673 | 3,474 |
| South Dakota | 68,130 | 63,805 | 60,384 | 352 | 312 | 277 | 17,681 | 16,431 | 16,252 |
| Nebraska | 147,578 | 140,358 | 134,796 | 5/ 1,460 | 1,136 | 797 | 44,822 | 41,465 | 40,307 |
| Kansas | 127,352 | 121,763 | 112,868 | 2,124 | 38 | 0 | 53,319 | 52,599 | 48,038 |
| West North Central | 897,280 | 857,438 | 816,024 | 5/ 11,043 | 6,324 | 4,485 | 5/ 423,243 | 421,102 | 429,276 |
| Delaware | 1,242 | 1,156 | 1,087 | 0 | 0 | 0 | 27 | 29 | 27 |
| Maryland | 11,248 | 10,758 | 9,982 | 299 | 75 | 0 | 2,281 | 2,302 | 2,393 |
| Virginia | 33,082 | 31,172 | 28,360 | 1,226 | 202 | 56 | 3,575 | 3,896 | 4,146 |
| West Virginia | 10,467 | 9,966 | 9,269 | 517 | 471 | 405 | 602 | 612 | 630 |
| North Carolina | 33,627 | 33,055 | 30,333 | 4,863 | 3,626 | 563 | 8,982 | 9,868 | 9,803 |
| South Carolina | 23,627 | 22,640 | 21,363 | 1,014 | 841 | 593 | 2,324 | 2,289 | 2,440 |
| Georgia | 37,590 | 36,219 | 33,837 | 1,686 | 1,452 | 790 | 10,981 | 10,247 | 10,184 |
| Florida | 17,011 | 17,083 | 16,499 | 0 | 0 | 0 | 800 | 658 | 906 |
| South Atlantic | 167,894 | 162,049 | 150,730 | 9,605 | 6,667 | 2,407 | 29,572 | 29,901 | 30,529 |
| Kentucky | 47,334 | 44,002 | 39,328 | 302 | 132 | 118 | 13,494 | 15,354 | 16,369 |
| Tennessee | 40,578 | 38,203 | 33,893 | 0 | 0 | 0 | 12,907 | 12,288 | 11,008 |
| Alabama | 35,935 | 36,111 | 34,250 | 1,026 | 881 | 85 | 2,473 | 2,213 | 2,510 |
| Mississippi | 33,888 | 33,869 | 31,878 | 621 | 439 | 278 | 5/ 18,211 | 18,519 | 18,196 |
| East South Central | 157,735 | 152,185 | 139,349 | 1,949 | 1,452 | 481 | 5/ 47,085 | 48,374 | 48,083 |
| Arkansas | 23,388 | 22,618 | 20,668 | 5/ 1,466 | 1,220 | 903 | 12,246 | 13,364 | 14,662 |
| Louisiana | 24,166 | 23,979 | 23,055 | 139 | 105 | 93 | 6,785 | 6,094 | 5,785 |
| Oklahoma | 50,188 | 48,079 | 45,297 | 795 | 246 | 188 | 25,923 | 25,817 | 25,894 |
| Texas | 240,659 | 234,386 | 225,635 | 9,798 | 6,995 | 5,658 | 85,460 | 87,489 | 91,084 |
| West South Central | 338,401 | 329,062 | 314,655 | 5/ 12,198 | 8,566 | 6,842 | 130,414 | 132,764 | 137,425 |
| Montana | 26,952 | 26,696 | 24,583 | 189 | 132 | 105 | 2,220 | 2,188 | 2,202 |
| Idaho | 35,457 | 34,869 | 33,083 | 14 | 2 | 2 | 6,791 | 6,762 | 6,731 |
| Wyoming | 13,761 | 13,464 | 13,204 | 976 | 877 | 650 | 140 | 145 | 171 |
| Colorado | 35,371 | 34,510 | 33,171 | 1,507 | 1,404 | 1,222 | 3,101 | 2,791 | 2,802 |
| New Mexico | 11,578 | 11,102 | 10,634 | 0 | 0 | 0 | 1,354 | 1,297 | 1,919 |
| Arizona | 10,483 | 10,738 | 10,431 | 0 | 0 | 0 | 1,238 | 1,582 | 1,624 |
| Utah | 19,733 | 18,994 | 17,625 | 6/ | 6/ | 0 | 371 | 301 | 316 |
| Nevada | 3,682 | 3,491 | 3,190 | 0 | 0 | 0 | 340 | 341 | 309 |
| Mountain | 157,017 | 153,864 | 145,921 | 2,686 | 2,415 | 1,979 | 15,555 | 15,407 | 16,074 |
| Washington | 39,896 | 39,269 | 36,853 | 304 | 221 | 158 | 14,190 | 14,188 | 13,910 |
| Oregon | 36,129 | 35,400 | 33,436 | 1,103 | 869 | 560 | 7,189 | 6,764 | 6,783 |
| California | 135,228 | 132,943 | 126,772 | 0 | 0 | 0 | 13,224 | 12,165 | 11,385 |
| Pacific | 211,253 | 207,612 | 197,061 | 1,407 | 1,090 | 718 | 34,603 | 33,117 | 32,078 |
| UNITED STATES | 2,583,901 | 2,488,232 | 2,350,346 | 65,719 | 7/ 48,766 | 8/ 33,441 | 883,414 | 890,516 | 907,141 |
| Puerto Rico | 11,634 | 11,282 | 10,855 | | | | | | |

1/ Data back to 1930 available in earlier issues of the Agricultural Finance Review.
2/ From reports of Farm Credit Administration.
3/ Including joint stock land banks in receivership.
4/ Estimates based upon direct reports from life insurance companies, official reports submitted to State insurance commissioners, and "Best's Life Insurance Reports."
5/ Revised.
6/ Less than $500.
7/ Includes loans called for foreclosure amounting to $985,133 which are not distributable by States.
8/ Includes loans called for foreclosure amounting to $673,151 which are not distributable by States.

Table 7 .- Federal land bank and Land Bank Commissioner loans: Amount outstanding, principal repayments, other deductions, and loans closed, 1933-42 1/

Federal Land Banks

| Year and quarter | Loans outstanding at beginning of year or quarter | Decreases in loans | | | Loans closed | Net change in outstanding loans | Loans outstanding at end of year or quarter |
|---|---|---|---|---|---|---|---|
| | | Principal repayments | Other deductions (net) 2/ | Total | | | |
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| 1933 | 1,128,564 | 19.954 | 27,538 | 47,492 | 151,635 | +104,143 | 1,232,707 |
| 1934 | 1,232,707 | 28,847 | 18,435 | 47,282 | 730,367 | +683,085 | 1,915,792 |
| 1935 | 1,915,792 | 41,991 | 50,546 | 92,537 | 248,670 | +156,133 | 2,071,925 |
| 1936 | 2,071,925 | 51,592 | 65,345 | 116,937 | 109,170 | - 7,767 | 2,064,158 |
| 1937 | 2,064,158 | 67,380 | 24,563 | 91,943 | 63,092 | - 28,851 | 2,035,307 |
| 1938 | 2,035,307 | 69,586 | 34,916 | 104,502 | 51,419 | - 53,083 | 1,982,224 |
| 1939 | 1,982,224 | 92,451 | 36,700 | 129,151 | 51,582 | - 77,569 | 1,904,655 |
| 1940 | 1,904,655 | 3/ 97,413 | 3/ 20,299 | 3/ 117,712 | 3/ 64,275 | - 53,437 | 1,851,218 |
| 1941: | | | | | | | |
| Jan.-March | 1,851,218 | 29,777 | 7,256 | 37,033 | 21,319 | - 15,714 | 1,835,504 |
| Apr.-June | 1,835,504 | 27,393 | 7,053 | 34,446 | 16,880 | - 17,566 | 1,817,938 |
| July-Sept. | 1,817,938 | 30,159 | 5,302 | 35,461 | 12,849 | - 22,612 | 1,795,326 |
| Oct.-Dec. | 1,795,326 | 41,375 | 3,573 | 44,948 | 14,020 | - 30,928 | 1,764,398 |
| 1942: | | | | | | | |
| Jan.-March | 1,764,398 | 43,309 | 7,470 | 50,779 | 17,506 | - 33,273 | 1,731,125 |
| Apr.-June | 1,731,125 | 37,104 | 5,794 | 42,898 | 17,579 | - 25,319 | 1,705,806 |
| **Land Bank Commissioner** | | | | | | | |
| 1933 | | 51 | 24 | 75 | 70,813 | + 70,738 | 70,738 |
| 1934 | 70,738 | 4,210 | 2,838 | 7,048 | 553,135 | +546,087 | 616,825 |
| 1935 | 616,825 | 11,955 | 6,540 | 18,495 | 196,396 | +177,901 | 794,726 |
| 1936 | 794,726 | 23,556 | 11,650 | 35,206 | 77,258 | + 42,052 | 836,778 |
| 1937 | 836,778 | 46,513 | 17,536 | 64,049 | 40,020 | - 24,029 | 812,749 |
| 1938 | 812,749 | 57,825 | 31,468 | 89,293 | 29,395 | - 59,898 | 752,851 |
| 1939 | 752,851 | 64,005 | 25,383 | 89,388 | 27,417 | - 61,971 | 690,880 |
| 1940 | 690,880 | 3/ 61,183 | 3/ 18,065 | 3/ 79,248 | 3/ 36,664 | - 42,584 | 648,296 |
| 1941: | | | | | | | |
| Jan.-March | 648,296 | 17,643 | 3,087 | 20,730 | 12,117 | - 8,613 | 639,683 |
| Apr.-June | 639,683 | 15,108 | 4,191 | 19,299 | 3/ 9,735 | 3/ - 9,564 | 3/ 630,119 |
| July-Sept. | 630,119 | 18,481 | 3,021 | 21,502 | 7,423 | - 14,079 | 616,040 |
| Oct.-Dec. | 616,040 | 25,141 | 2,355 | 27,496 | 8,258 | - 19,238 | 596,802 |
| 1942: | | | | | | | |
| Jan.-March | 596,802 | 23,797 | 2,419 | 26,216 | 9,362 | - 16,854 | 579,948 |
| Apr.-June | 579,948 | 19,327 | 2,789 | 22,116 | 9,913 | - 12,203 | 567,745 |

1/ Including Puerto Rico.
2/ Includes foreclosures, voluntary deeds, loans in process of foreclosure, etc., less increases in loans by reason of reamortizations, reinstatements, etc.
3/ Revised.

Farm Credit Administration

Table 8 .- Estimated amount of interest charges payable on farm-mortgage debt, by geographic divisions, 1910, 1923, 1930, 1935, and 1938-41 1/

| Geographic division | 1910 | 1923 | 1930 | 1935 | 1938 | 1939 | 1940 | 1941 2/ |
|---|---|---|---|---|---|---|---|---|
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| New England . . . . . . . | 3,992 | 8,434 | 10,092 | 9,535 | 9,582 | 9,739 | 9,867 | 9,954 |
| Middle Atlantic . . . . . | 14,715 | 26,526 | 26,890 | 22,477 | 21,097 | 20,868 | 20,588 | 20,372 |
| East North Central . . . | 46,373 | 125,588 | 107,082 | 78,940 | 68,129 | 67,151 | 65,982 | 64,991 |
| West North Central . . . | 77,492 | 282,608 | 198,276 | 136,501 | 110,581 | 106,482 | 102,518 | 100,076 |
| South Atlantic . . . . . | 8,910 | 33,833 | 32,082 | 22,399 | 20,259 | 20,115 | 19,772 | 19,680 |
| East South Central . . . | 8,052 | 25,459 | 25,804 | 17,958 | 16,825 | 16,996 | 17,040 | 17,247 |
| West South Central . . . | 21,358 | 73,596 | 72,678 | 51,601 | 44,557 | 43,714 | 43,094 | 43,208 |
| Mountain . . . . . . . . | 8,666 | 53,704 | 38,972 | 27,134 | 24,084 | 23,659 | 23,350 | 22,992 |
| Pacific . . . . . . . . . | 13,630 | 49,472 | 59,900 | 44,419 | 42,066 | 41,989 | 42,007 | 41,980 |
| United States . . . . . | 203,188 | 679,220 | 571,776 | 410,964 | 357,180 | 350,713 | 344,218 | 340,500 |

1/ Payable during calendar year. Excludes amounts paid by Secretary of the Treasury to Federal land banks, 1935-41 and Land Bank Commissioner, 1938-41, as reimbursement for interest reductions granted borrowers. Data for omitted years in Agricultural Finance Review, May 1940.
2/ Preliminary.

Table 9 .- Agricultural loans held by insured commercial banks, by States, on specified dates, 1941-42 1/

| State and division | Farm real estate loans | | | | Personal and collateral loans | | | |
|---|---|---|---|---|---|---|---|---|
| | 1941 | | 1942 | | 1941 | | 1942 | |
| | January 1 | July 1 | January 1 | July 1 | January 1 | July 1 | January 1 | July 1 |
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| Maine | 1,741 | 1,815 | 1,802 | 1,806 | 1,808 | 1,927 | 1,982 | 1,921 |
| New Hampshire | 623 | 628 | 665 | 639 | 887 | 899 | 914 | 874 |
| Vermont | 8,133 | 7,800 | 7,764 | 7,584 | 3,271 | 3,338 | 3,297 | 3,385 |
| Massachusetts | 1,304 | 1,264 | 1,197 | 1,194 | 1,943 | 1,858 | 1,810 | 1,926 |
| Rhode Island | 127 | 450 | 224 | 223 | 95 | 90 | 128 | 143 |
| Connecticut | 1,309 | 1,431 | 1,365 | 1,216 | 1,858 | 1,727 | 1,282 | 1,240 |
| New England | 13,237 | 13,388 | 13,017 | 12,662 | 9,862 | 9,839 | 9,413 | 9,489 |
| New York | 14,808 | 14,728 | 14,246 | 13,999 | 30,792 | 29,548 | 31,743 | 33,649 |
| New Jersey | 4,503 | 4,702 | 4,889 | 4,807 | 5,366 | 6,155 | 5,527 | 5,722 |
| Pennsylvania | 26,975 | 26,986 | 27,078 | 26,022 | 20,603 | 19,659 | 19,941 | 17,198 |
| Middle Atlantic | 46,286 | 46,416 | 46,213 | 44,828 | 56,761 | 55,362 | 57,211 | 56,569 |
| Ohio | 41,381 | 42,265 | 40,940 | 40,398 | 30,734 | 29,506 | 32,679 | 27,502 |
| Indiana | 22,869 | 23,161 | 22,861 | 22,965 | 31,494 | 31,610 | 33,175 | 27,783 |
| Illinois | 24,254 | 24,879 | 24,565 | 23,590 | 79,025 | 70,713 | 82,131 | 72,456 |
| Michigan | 15,827 | 16,742 | 16,772 | 15,996 | 20,554 | 21,681 | 20,778 | 20,125 |
| Wisconsin | 25,298 | 26,163 | 26,027 | 26,174 | 24,219 | 26,621 | 24,498 | 24,665 |
| East North Central | 129,629 | 133,210 | 131,165 | 129,123 | 186,026 | 180,131 | 193,261 | 172,531 |
| Minnesota | 20,153 | 20,339 | 20,407 | 19,807 | 81,663 | 63,962 | 83,487 | 56,984 |
| Iowa | 46,425 | 47,390 | 46,814 | 45,481 | 100,244 | 116,710 | 118,713 | 117,572 |
| Missouri | 19,779 | 19,975 | 21,241 | 19,098 | 69,143 | 54,120 | 85,388 | 55,460 |
| North Dakota | 1,165 | 1,128 | 985 | 891 | 28,335 | 14,636 | 43,985 | 12,605 |
| South Dakota | 2,047 | 2,059 | 2,014 | 2,010 | 26,843 | 26,554 | 35,487 | 25,781 |
| Nebraska | 7,627 | 7,657 | 7,396 | 6,973 | 61,455 | 60,262 | 84,587 | 61,276 |
| Kansas | 10,821 | 10,751 | 10,013 | 9,825 | 69,389 | 51,759 | 90,599 | 55,748 |
| West North Central | 108,017 | 109,299 | 108,870 | 104,085 | 437,072 | 388,003 | 542,246 | 385,426 |
| Delaware | 3,402 | 3,444 | 3,468 | 3,662 | 614 | 682 | 1,148 | 1,481 |
| Maryland | 9,853 | 10,137 | 9,959 | 9,987 | 4,250 | 4,366 | 5,967 | 4,040 |
| District of Columbia | 77 | 59 | 55 | 39 | 15 | 2 | 10 | 0 |
| Virginia | 16,699 | 16,853 | 16,815 | 15,854 | 13,477 | 14,207 | 12,822 | 14,601 |
| West Virginia | 5,530 | 6,525 | 5,458 | 5,497 | 3,006 | 3,161 | 2,757 | 2,975 |
| North Carolina | 8,493 | 9,342 | 10,784 | 12,039 | 7,970 | 10,653 | 5,718 | 10,858 |
| South Carolina | 1,674 | 1,805 | 1,740 | 1,790 | 6,028 | 6,672 | 6,032 | 7,833 |
| Georgia | 7,238 | 7,649 | 7,193 | 7,273 | 25,756 | 17,418 | 24,612 | 20,884 |
| Florida | 3,033 | 2,798 | 3,119 | 2,849 | 5,004 | 3,631 | 5,091 | 3,753 |
| South Atlantic | 55,999 | 58,612 | 58,591 | 58,990 | 66,120 | 60,732 | 64,157 | 66,425 |
| Kentucky | 24,054 | 24,553 | 24,245 | 23,674 | 17,262 | 16,266 | 16,298 | 16,096 |
| Tennessee | 12,907 | 13,405 | 12,493 | 12,151 | 39,866 | 36,782 | 46,009 | 19,636 |
| Alabama | 5,303 | 5,520 | 5,212 | 5,084 | 18,521 | 19,819 | 19,346 | 19,135 |
| Mississippi | 8,271 | 8,373 | 7,489 | 7,475 | 11,379 | 13,124 | 15,336 | 15,763 |
| East South Central | 50,535 | 51,851 | 49,439 | 48,384 | 87,028 | 85,991 | 96,989 | 70,630 |
| Arkansas | 3,511 | 3,920 | 3,599 | 3,656 | 17,158 | 15,304 | 16,652 | 15,903 |
| Louisiana | 6,314 | 7,015 | 6,616 | 6,604 | 25,131 | 17,818 | 10,123 | 9,793 |
| Oklahoma | 4,321 | 4,387 | 4,230 | 4,345 | 40,227 | 37,791 | 44,783 | 41,497 |
| Texas | 10,707 | 10,601 | 10,168 | 9,916 | 137,810 | 109,158 | 144,076 | 134,622 |
| West South Central | 24,853 | 25,923 | 24,613 | 24,521 | 220,326 | 180,071 | 215,634 | 201,815 |
| Montana | 1,001 | 1,033 | 865 | 968 | 23,354 | 16,508 | 30,917 | 15,854 |
| Idaho | 1,303 | 1,305 | 1,235 | 1,401 | 14,443 | 12,246 | 15,950 | 11,906 |
| Wyoming | 948 | 1,090 | 1,000 | 999 | 12,188 | 13,635 | 13,949 | 12,748 |
| Colorado | 2,598 | 2,416 | 2,272 | 2,160 | 28,687 | 24,541 | 46,814 | 25,965 |
| New Mexico | 561 | 606 | 498 | 426 | 6,557 | 8,038 | 8,075 | 8,444 |
| Arizona | 852 | 691 | 669 | 554 | 9,670 | 10,962 | 12,683 | 10,079 |
| Utah | 2,862 | 2,995 | 2,634 | 2,711 | 10,459 | 9,492 | 11,898 | 10,082 |
| Nevada | 398 | 381 | 313 | 303 | 1,763 | 1,757 | 2,076 | 2,067 |
| Mountain | 10,523 | 10,517 | 9,486 | 9,522 | 107,121 | 97,179 | 142,362 | 97,145 |
| Washington | 5,009 | 5,459 | 4,997 | 5,172 | 18,883 | 17,407 | 29,061 | 17,004 |
| Oregon | 2,089 | 2,086 | 1,911 | 1,669 | 12,809 | 11,725 | 20,392 | 10,692 |
| California | 97,231 | 94,365 | 86,910 | 82,291 | 79,267 | 80,764 | 79,211 | 76,726 |
| Pacific | 104,329 | 101,910 | 93,818 | 89,132 | 110,959 | 109,896 | 128,664 | 104,422 |
| UNITED STATES | 543,408 | 551,126 | 535,212 | 521,247 | 1,281,275 | 1,167,204 | 1,449,937 | 1,164,452 |
| Possessions 2/ | 118 | 98 | 88 | 69 | 7 | 5 | 4 | 2 |

1/ Loans are classified according to location of bank and therefore are not strictly comparable by States with data for other lenders, which are classified according to location of security or borrower. Data back to 1935 available in earlier issues of the Agricultural Finance Review.

2/ Alaska, Hawaii, and Virgin Islands.

Based on reports to the Comptroller of the Currency, Board of Governors of the Federal Reserve System, and Federal Deposit Insurance Corporation.

Table 10.- Short-term and intermediate-term loans to farmers by production credit associations, private financing institutions discounting with Federal intermediate credit banks, and regional agricultural credit corporations, outstanding on specified dates, 1941-42, by States

| State and division | Production credit associations | | | | Private financing institutions 1/ | | | | Regional agricultural credit corporations |
|---|---|---|---|---|---|---|---|---|---|
| | 1941 | | 1942 | | 1941 | | 1942 | | |
| | January 1 | July 1 | January 1 | July 1 | January 1 | July 1 | January 1 | July 1 | July 1, 1942 |
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| Maine | 855 | 1,030 | 980 | 1,055 | 352 | 463 | 433 | 429 | 0 |
| New Hampshire | 193 | 226 | 211 | 255 | 0 | 0 | 0 | 0 | 0 |
| Vermont | 1,106 | 1,172 | 1,129 | 1,267 | 208 | 239 | 230 | 248 | 0 |
| Massachusetts | 626 | 768 | 649 | 978 | 0 | 0 | 0 | 0 | 1 |
| Rhode Island | 419 | 388 | 443 | 404 | 0 | 0 | 0 | 0 | 0 |
| Connecticut | 1,487 | 1,302 | 1,469 | 1,248 | 35 | 24 | 39 | 21 | 0 |
| New England | 4,686 | 4,886 | 4,881 | 5,207 | 595 | 726 | 702 | 698 | 1 |
| New York | 5,975 | 7,381 | 6,471 | 8,700 | 14 | 2/ | 15 | 70 | 9 |
| New Jersey | 1,234 | 1,676 | 1,230 | 1,864 | 2 | 50 | 0 | 56 | 111 |
| Pennsylvania | 3,049 | 3,474 | 3,491 | 4,023 | 0 | 2/ | 6 | 0 | 0 |
| Middle Atlantic | 10,258 | 12,531 | 11,192 | 14,587 | 16 | 50 | 21 | 126 | 120 |
| Ohio | 6,893 | 6,877 | 6,582 | 6,801 | 993 | 1,001 | 935 | 880 | 0 |
| Indiana | 7,068 | 7,862 | 7,501 | 8,360 | 678 | 575 | 758 | 527 | 0 |
| Illinois | 10,739 | 10,630 | 10,973 | 11,776 | 1,018 | 991 | 1,208 | 1,085 | 0 |
| Michigan | 2,408 | 2,643 | 2,303 | 2,644 | 202 | 168 | 153 | 96 | 4 |
| Wisconsin | 5,833 | 6,359 | 5,373 | 5,653 | 956 | 1,052 | 1,006 | 1,003 | 7 |
| East North Central | 32,941 | 34,371 | 32,732 | 35,234 | 3,847 | 3,787 | 4,060 | 3,591 | 11 |
| Minnesota | 6,233 | 6,209 | 6,157 | 6,087 | 1,737 | 1,715 | 1,718 | 1,751 | 55 |
| Iowa | 5,562 | 5,495 | 6,230 | 5,862 | 540 | 530 | 812 | 799 | 1 |
| Missouri | 6,362 | 7,328 | 6,688 | 8,653 | 706 | 714 | 704 | 736 | 0 |
| North Dakota | 1,090 | 1,410 | 1,394 | 1,823 | 1,241 | 1,283 | 1,108 | 916 | 1,218 |
| South Dakota | 3,247 | 3,794 | 3,928 | 4,304 | 152 | 216 | 181 | 217 | 95 |
| Nebraska | 3,687 | 4,501 | 4,679 | 5,030 | 289 | 232 | 546 | 399 | 13 |
| Kansas | 4,158 | 4,201 | 5,316 | 5,144 | 159 | 162 | 265 | 341 | 8 |
| West North Central | 30,339 | 32,938 | 34,392 | 36,903 | 4,824 | 4,852 | 5,334 | 5,159 | 1,390 |
| Delaware | 265 | 332 | 321 | 425 | 0 | 0 | 0 | 0 | 0 |
| Maryland | 1,709 | 1,909 | 1,748 | 2,316 | 0 | 0 | 0 | 0 | 0 |
| District of Columbia | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Virginia | 2,457 | 3,222 | 2,657 | 3,912 | 112 | 117 | 92 | 99 | 0 |
| West Virginia | 1,012 | 1,146 | 1,058 | 1,197 | 0 | 0 | 0 | 0 | 8 |
| North Carolina | 1,338 | 7,219 | 1,780 | 8,455 | 0 | 263 | 39 | 274 | 0 |
| South Carolina | 661 | 4,539 | 1,514 | 5,392 | 0 | 51 | 0 | 61 | 0 |
| Georgia | 2,176 | 6,750 | 3,186 | 8,052 | 0 | 0 | 0 | 0 | 3 |
| Florida | 4,355 | 3,029 | 4,274 | 3,296 | 358 | 40 | 314 | 51 | 13 |
| South Atlantic | 13,973 | 28,146 | 16,538 | 33,045 | 470 | 471 | 445 | 485 | 24 |
| Kentucky | 3,924 | 3,987 | 4,046 | 4,906 | 44 | 66 | 41 | 36 | 0 |
| Tennessee | 3,220 | 3,609 | 2,971 | 4,168 | 117 | 247 | 68 | 995 | 0 |
| Alabama | 1,673 | 3,056 | 1,639 | 4,196 | 247 | 298 | 174 | 219 | 0 |
| Mississippi | 2,670 | 7,804 | 2,437 | 9,544 | 650 | 3,139 | 1,599 | 3,401 | 1 |
| East South Central | 11,487 | 18,456 | 11,093 | 22,814 | 1,058 | 3,750 | 1,882 | 4,651 | 1 |
| Arkansas | 2,095 | 5,152 | 1,816 | 5,823 | 260 | 1,266 | 349 | 488 | 3 |
| Louisiana | 2,389 | 5,376 | 2,620 | 6,855 | 568 | 1,354 | 512 | 1,582 | 0 |
| Oklahoma | 4,047 | 4,678 | 4,219 | 5,489 | 1,942 | 2,310 | 2,465 | 2,830 | 1 |
| Texas | 15,871 | 23,637 | 23,160 | 27,643 | 10,919 | 11,745 | 13,698 | 14,129 | 60 |
| West South Central | 24,402 | 38,843 | 31,815 | 45,810 | 13,689 | 16,675 | 17,024 | 19,029 | 64 |
| Montana | 7,287 | 8,947 | 6,097 | 8,569 | 363 | 366 | 264 | 289 | 153 |
| Idaho | 5,202 | 4,861 | 5,113 | 5,189 | 297 | 288 | 152 | 248 | 245 |
| Wyoming | 1,717 | 2,137 | 1,708 | 1,948 | 702 | 810 | 709 | 845 | 0 |
| Colorado | 4,441 | 5,410 | 4,807 | 5,997 | 512 | 804 | 503 | 794 | 40 |
| New Mexico | 2,400 | 3,173 | 2,619 | 3,033 | 569 | 1,359 | 978 | 1,475 | 0 |
| Arizona | 1,859 | 2,316 | 2,142 | 2,260 | 55 | 794 | 145 | 1,424 | 0 |
| Utah | 1,873 | 1,984 | 2,102 | 1,996 | 2,345 | 3,050 | 2,591 | 2,890 | 0 |
| Nevada | 1,358 | 1,202 | 1,394 | 1,332 | 21 | 34 | 2 | 3 | 0 |
| Mountain | 26,137 | 30,030 | 25,982 | 30,324 | 4,864 | 7,505 | 5,344 | 7,971 | 438 |
| Washington | 2,198 | 2,419 | 1,822 | 2,505 | 998 | 574 | 574 | 383 | 2,200 |
| Oregon | 4,916 | 5,437 | 4,762 | 5,444 | 48 | 89 | 34 | 2 | 0 |
| California | 9,349 | 11,846 | 10,402 | 13,973 | 2,707 | 3,627 | 2,519 | 3,520 | 0 |
| Pacific | 16,463 | 19,702 | 16,986 | 21,922 | 3,753 | 4,290 | 3,127 | 3,905 | 2,200 |
| UNITED STATES | 170,686 | 219,903 | 185,611 | 245,846 | 33,116 | 42,106 | 37,939 | 45,615 | 4,249 |
| Puerto Rico | 1,626 | 1,516 | 2,057 | 2,049 | 986 | 78 | 1,283 | 1,309 | 0 |

1/ Includes only loans from and discounts with Federal intermediate credit banks.
2/ Less than $500.

Farm Credit Administration.

Table 11.- Emergency crop and feed loans held by the Farm Credit Administration, and rural rehabilitation loans held by the Farm Security Administration, by States, for selected dates, 1941-42

| State and division | Emergency crop and feed loans 1/ | | | | Rural rehabilitation loans 2/ | | | |
|---|---|---|---|---|---|---|---|---|
| | 1941 | | 1942 | | 1941 | | 1942 | |
| | January 1 | July 1 | January 1 | July 1 | January 1 3/ | July 1 | January 1 | July 1 |
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| Maine | 679 | 800 | 718 | 841 | 4,471 | 5,071 | 4,748 | 5,279 |
| New Hampshire | 29 | 37 | 31 | 36 | 926 | 994 | 995 | 1,181 |
| Vermont | 43 | 64 | 56 | 78 | 867 | 922 | 911 | 1,018 |
| Massachusetts | 48 | 67 | 49 | 71 | 508 | 536 | 485 | 604 |
| Rhode Island | 4/ | 1 | 4/ | 0 | 155 | 158 | 157 | 187 |
| Connecticut | 24 | 34 | 21 | 32 | 322 | 307 | 307 | 385 |
| New England | 823 | 1,003 | 875 | 1,060 | 7,249 | 7,988 | 7,603 | 8,654 |
| New York | 203 | 300 | 195 | 342 | 4,301 | 4,604 | 4,489 | 5,264 |
| New Jersey | 53 | 93 | 60 | 93 | 1,113 | 1,284 | 1,149 | 1,482 |
| Pennsylvania | 576 | 726 | 618 | 765 | 3,059 | 3,502 | 3,555 | 4,447 |
| Middle Atlantic | 832 | 1,119 | 873 | 1,200 | 8,473 | 9,390 | 9,193 | 11,193 |
| Ohio | 346 | 391 | 327 | 390 | 6,759 | 7,377 | 6,935 | 7,661 |
| Indiana | 378 | 403 | 364 | 408 | 5,535 | 5,818 | 5,137 | 5,389 |
| Illinois | 255 | 295 | 249 | 281 | 7,054 | 7,302 | 6,719 | 6,874 |
| Michigan | 606 | 634 | 596 | 627 | 6,225 | 7,014 | 6,689 | 7,755 |
| Wisconsin | 1,631 | 1,621 | 1,537 | 1,512 | 7,633 | 8,173 | 7,288 | 8,018 |
| East North Central | 3,216 | 3,344 | 3,073 | 3,218 | 33,206 | 35,684 | 32,768 | 35,697 |
| Minnesota | 7,943 | 8,041 | 7,690 | 7,745 | 11,013 | 12,204 | 11,835 | 13,279 |
| Iowa | 518 | 529 | 486 | 548 | 7,416 | 7,174 | 6,591 | 7,132 |
| Missouri | 2,374 | 2,376 | 2,280 | 2,306 | 13,442 | 14,405 | 12,614 | 13,880 |
| North Dakota | 42,778 | 43,362 | 42,272 | 42,748 | 10,166 | 10,945 | 9,664 | 10,366 |
| South Dakota | 29,117 | 29,124 | 28,226 | 28,087 | 15,331 | 16,950 | 16,317 | 17,800 |
| Nebraska | 7,910 | 8,071 | 7,653 | 7,510 | 12,815 | 13,982 | 13,253 | 14,270 |
| Kansas | 9,653 | 9,692 | 9,143 | 9,272 | 11,456 | 12,605 | 11,727 | 13,265 |
| West North Central | 100,293 | 101,195 | 97,750 | 98,216 | 81,639 | 88,265 | 82,001 | 89,992 |
| Delaware | 64 | 78 | 71 | 86 | 132 | 161 | 167 | 214 |
| Maryland | 350 | 410 | 358 | 431 | 5/ 770 | 5/ 951 | 5/ 874 | 5/ 1,213 |
| Virginia | 1,936 | 2,475 | 1,917 | 2,532 | 5/ 3,536 | 5/ 4,202 | 5/ 3,697 | 5/ 3,657 |
| West Virginia | 385 | 422 | 380 | 432 | 2,935 | 3,347 | 3,097 | 2,956 |
| North Carolina | 1,561 | 2,577 | 1,521 | 2,855 | 5,100 | 7,991 | 5,653 | 9,195 |
| South Carolina | 2,102 | 3,677 | 2,548 | 4,387 | 7,155 | 8,086 | 8,377 | 10,960 |
| Georgia | 2,406 | 3,901 | 2,632 | 4,258 | 14,129 | 16,574 | 16,586 | 21,176 |
| Florida | 1,626 | 1,590 | 1,666 | 1,659 | 5,605 | 5,928 | 5,986 | 6,724 |
| South Atlantic | 10,430 | 15,130 | 11,093 | 16,640 | 39,362 | 47,240 | 44,437 | 56,095 |
| Kentucky | 1,156 | 1,219 | 1,073 | 1,161 | 4,075 | 4,757 | 4,873 | 4,811 |
| Tennessee | 967 | 1,239 | 914 | 1,178 | 2,452 | 3,159 | 2,765 | 2,902 |
| Alabama | 1,863 | 2,517 | 1,884 | 2,526 | 14,982 | 17,895 | 18,866 | 22,803 |
| Mississippi | 1,765 | 2,393 | 1,843 | 2,474 | 11,360 | 16,732 | 14,757 | 19,394 |
| East South Central | 5,751 | 7,368 | 5,714 | 7,339 | 32,869 | 42,543 | 41,261 | 49,910 |
| Arkansas | 3,291 | 3,997 | 3,247 | 4,007 | 12,219 | 16,049 | 13,375 | 16,944 |
| Louisiana | 1,472 | 2,178 | 1,608 | 2,580 | 6,616 | 10,288 | 9,522 | 13,537 |
| Oklahoma | 2,721 | 2,777 | 2,635 | 2,813 | 15,736 | 17,678 | 16,527 | 18,801 |
| Texas | 11,437 | 12,843 | 11,356 | 12,736 | 22,756 | 27,846 | 26,153 | 31,179 |
| West South Central | 18,921 | 21,795 | 18,846 | 22,136 | 57,327 | 71,861 | 65,577 | 80,461 |
| Montana | 13,627 | 13,777 | 13,014 | 13,064 | 7,425 | 8,254 | 7,976 | 9,819 |
| Idaho | 913 | 973 | 813 | 911 | 5,417 | 6,338 | 5,691 | 6,595 |
| Wyoming | 2,120 | 2,139 | 1,829 | 1,824 | 6,701 | 7,624 | 7,358 | 8,772 |
| Colorado | 3,968 | 4,076 | 3,826 | 3,943 | 10,386 | 11,602 | 11,206 | 12,877 |
| New Mexico | 2,723 | 2,911 | 2,727 | 2,877 | 3,050 | 3,447 | 3,226 | 3,792 |
| Arizona | 224 | 262 | 243 | 274 | 1,246 | 1,535 | 1,516 | 1,596 |
| Utah | 1,317 | 1,324 | 1,170 | 1,155 | 3,901 | 4,262 | 3,996 | 4,105 |
| Nevada | 41 | 42 | 35 | 31 | 423 | 470 | 435 | 474 |
| Mountain | 24,933 | 25,504 | 23,657 | 24,079 | 38,549 | 43,538 | 41,404 | 48,030 |
| Washington | 1,774 | 1,230 | 1,021 | 1,094 | 4,978 | 5,525 | 4,993 | 5,924 |
| Oregon | 368 | 413 | 351 | 399 | 3,226 | 3,488 | 3,131 | 3,980 |
| California | 504 | 706 | 500 | 666 | 5,839 | 7,029 | 6,715 | 7,338 |
| Pacific | 2,646 | 2,349 | 1,872 | 2,159 | 14,043 | 16,042 | 14,839 | 17,242 |
| UNITED STATES | 6/ 167,862 | 7/ 178,818 | 8/ 163,792 | 9/ 176,062 | 312,717 | 362,545 | 339,083 | 397,274 |
| Possessions 10/ | 576 | 669 | 1,182 | 1,003 | 160 | 366 | 472 | 1,009 |

1/ Includes drought-relief loans made in 1934 and 1935 and orchard-rehabilitation loans made in 1942.
2/ Loans to individuals on and off projects, water-facility loans, and project equipment loans. Includes loans from State corporation trust funds and from the Resettlement Administration, the predecessor of the Farm Security Administration.
3/ Revised to exclude small amount of special real estate loans.
4/ Less than $500.
5/ Includes small amount of loans made in the District of Columbia.
6/ Includes $17,000 not allocable by States.
7/ Includes $11,000 not allocable by States.
8/ Includes $39,000 not allocable by States.
9/ Includes $15,000 not allocable by States.
10/ Alaska, Hawaii, Puerto Rico, and Virgin Islands.

Farm Credit Administration and Farm Security Administration.

Table 12.- Farm Security Administration loans outstanding: Number of individual borrowers and amount of various types of loans, by States, July 1, 1942 1/

| State and division | Loans to individuals | | | | Loans to cooperatives 4/ | Total loans |
|---|---|---|---|---|---|---|
| | Number of individual borrowers | Rural rehabilitation 2/ | Construction and special real estate loans 3/ | Tenant purchase and development | | |
| | Number | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| Maine | 4,201 | 5,279 | 93 | 89 | 5 | 5,466 |
| New Hampshire | 1,205 | 1,181 | 10 | 48 | 34 | 1,333 |
| Vermont | 1,131 | 1,018 | 39 | 133 | 0 | 1,190 |
| Massachusetts | 863 | 604 | 0 | 70 | 0 | 674 |
| Rhode Island | 247 | 187 | 0 | 10 | 0 | 197 |
| Connecticut | 408 | 385 | 0 | 72 | 0 | 457 |
| New England | 8,055 | 8,654 | 142 | 422 | 99 | 9,317 |
| New York | 5,489 | 5,264 | 162 | 910 | 652 | 6,988 |
| New Jersey | 1,419 | 1,482 | 8 | 311 | 254 | 2,055 |
| Pennsylvania | 5,661 | 4,447 | 69 | 1,712 | 770 | 6,998 |
| Middle Atlantic | 12,569 | 11,193 | 239 | 2,933 | 1,676 | 16,041 |
| Ohio | 23,848 | 7,661 | 157 | 3,734 | 1,046 | 12,598 |
| Indiana | 11,058 | 5,389 | 104 | 3,135 | 1,366 | 9,994 |
| Illinois | 14,866 | 6,874 | 42 | 5,385 | 706 | 13,007 |
| Michigan | 13,364 | 7,755 | 284 | 1,746 | 52 | 9,837 |
| Wisconsin | 26,515 | 8,018 | 985 | 2,271 | 46 | 11,320 |
| East North Central | 89,651 | 35,697 | 1,572 | 16,271 | 3,216 | 56,756 |
| Minnesota | 33,640 | 13,279 | 1,237 | 3,748 | 47 | 18,311 |
| Iowa | 13,538 | 7,132 | 63 | 5,745 | 1,015 | 13,955 |
| Missouri | 54,393 | 13,880 | 201 | 5,438 | 2,603 | 22,122 |
| North Dakota | 36,950 | 10,366 | 12 | 1,532 | 318 | 12,228 |
| South Dakota | 37,916 | 17,800 | 13 | 1,654 | 101 | 19,568 |
| Nebraska | 17,526 | 14,270 | 0 | 2,813 | 191 | 17,274 |
| Kansas | 17,778 | 13,265 | 53 | 3,256 | 327 | 16,901 |
| West North Central | 211,741 | 89,992 | 1,579 | 24,186 | 4,602 | 120,359 |
| Delaware | 313 | 214 | 0 | 158 | 0 | 372 |
| Maryland 5/ | 1,716 | 1,213 | 0 | 592 | 10 | 1,815 |
| Virginia 5/ | 13,223 | 3,657 | 0 | 3,016 | 302 | 6,975 |
| West Virginia | 10,612 | 2,956 | 6 | 1,207 | 2,649 | 6,818 |
| North Carolina | 21,369 | 9,195 | 543 | 7,571 | 1,686 | 18,995 |
| South Carolina | 18,973 | 10,960 | 118 | 5,792 | 642 | 17,512 |
| Georgia | 38,422 | 21,176 | 182 | 9,368 | 1,542 | 32,268 |
| Florida | 15,143 | 6,724 | 130 | 710 | 1,055 | 8,619 |
| South Atlantic | 119,771 | 56,095 | 979 | 28,414 | 7,886 | 93,374 |
| Kentucky | 20,410 | 4,811 | 227 | 4,609 | 0 | 9,647 |
| Tennessee | 13,652 | 2,902 | 123 | 5,675 | 1,382 | 10,082 |
| Alabama | 43,334 | 22,803 | 253 | 8,004 | 2,350 | 33,410 |
| Mississippi | 38,090 | 19,394 | 860 | 8,379 | 1,706 | 30,339 |
| East South Central | 115,486 | 49,910 | 1,463 | 26,667 | 5,438 | 83,478 |
| Arkansas | 47,328 | 16,944 | 1,280 | 6,353 | 2,398 | 26,975 |
| Louisiana | 47,842 | 13,537 | 175 | 4,479 | 1,782 | 19,973 |
| Oklahoma | 33,723 | 18,801 | 372 | 6,877 | 50 | 26,100 |
| Texas | 63,059 | 31,179 | 609 | 15,348 | 1,968 | 49,104 |
| West South Central | 191,952 | 80,461 | 2,436 | 33,057 | 6,198 | 122,152 |
| Montana | 7,695 | 9,819 | 951 | 558 | 963 | 12,291 |
| Idaho | 6,177 | 6,595 | 299 | 633 | 257 | 7,784 |
| Wyoming | 5,395 | 8,772 | 105 | 207 | 43 | 9,127 |
| Colorado | 13,083 | 12,877 | 318 | 1,192 | 339 | 14,726 |
| New Mexico | 18,340 | 3,792 | 5 | 410 | 204 | 4,411 |
| Arizona | 1,867 | 1,596 | 1 | 168 | 241 | 2,006 |
| Utah | 5,489 | 4,105 | 45 | 214 | 113 | 4,477 |
| Nevada | 687 | 474 | 0 | 41 | 274 | 789 |
| Mountain | 58,733 | 48,030 | 1,724 | 3,423 | 2,434 | 55,611 |
| Washington | 6,189 | 5,924 | 242 | 782 | 897 | 7,845 |
| Oregon | 4,854 | 3,980 | 286 | 593 | 286 | 5,145 |
| California | 7,605 | 7,338 | 17 | 1,570 | 2,064 | 10,989 |
| Pacific | 18,648 | 17,242 | 545 | 2,945 | 3,247 | 23,979 |
| UNITED STATES | 826,606 | 397,274 | 10,679 | 138,318 | 34,796 | 581,067 |
| Possessions 6/ | 5,224 | 1,009 | 0 | 2,450 | 213 | 3,672 |

1/ Includes loans from State corporation trust funds and from the Resettlement Administration, the predecessor of the Farm Security Administration.
2/ Loans to individuals on and off projects, water facility loans, and project equipment loans.
3/ In addition to loans for construction of farmstead improvements, this now includes special real estate loans which totaled $3,880,000 on July 1, 1942.
4/ In addition to loans to cooperative associations, this now includes loans to defense relocation corporations.
5/ Includes small amount of loans in the District of Columbia.
6/ Alaska, Hawaii, Puerto Rico, and Virgin Islands.

Farm Security Administration.

Table 13.- Tenant-purchase loans approved by Farm Security Administration: Number of borrowers, acreage, cost of properties, and amount of loans, by States, from organization to July 1, 1942 1/

| State and division | Borrowers | Acreage | Cost of properties | | | Cost borne by borrowers | Tenant-purchase loans |
|---|---|---|---|---|---|---|---|
| | | | Original purchase price 2/ | Cost of added improvements | Total cost | | |
| | Number | Acres | Dollars | Dollars | Dollars | Dollars | Dollars |
| Maine .............. | 32 | 4,246 | 116,486 | 28,085 | 144,571 | 790 | 143,781 |
| New Hampshire ...... | 8 | 1,094 | 45,637 | 14,412 | 60,049 | 0 | 60,049 |
| Vermont ............ | 26 | 5,676 | 131,914 | 25,575 | 157,489 | 0 | 157,489 |
| Massachusetts ...... | 17 | 1,632 | 83,073 | 22,200 | 105,273 | 386 | 104,887 |
| Rhode Island ....... | 3 | 75 | 11,019 | 3,714 | 14,733 | 0 | 14,733 |
| Connecticut ........ | 11 | 1,123 | 80,569 | 11,957 | 92,526 | 805 | 91,721 |
| New England ...... | 97 | 13,846 | 468,698 | 105,943 | 574,641 | 1,981 | 572,660 |
| New York ........... | 212 | 32,477 | 1,064,168 | 229,579 | 1,293,747 | 1,415 | 1,292,332 |
| New Jersey ......... | 45 | 4,019 | 311,296 | 51,484 | 362,780 | 0 | 362,780 |
| Pennsylvania ....... | 365 | 42,241 | 1,768,211 | 421,452 | 2,189,663 | 1,602 | 2,188,061 |
| Middle Atlantic .. | 622 | 78,737 | 3,143,675 | 702,515 | 3,846,190 | 3,017 | 3,843,173 |
| Ohio ............... | 490 | 53,993 | 3,379,686 | 637,114 | 4,016,800 | 23,344 | 3,993,456 |
| Indiana ............ | 355 | 41,001 | 2,788,009 | 515,863 | 3,303,872 | 8,329 | 3,295,543 |
| Illinois ........... | 559 | 78,772 | 4,898,432 | 817,230 | 5,715,662 | 29,506 | 5,686,156 |
| Michigan ........... | 263 | 31,615 | 1,634,855 | 373,747 | 2,008,602 | 3,972 | 2,004,630 |
| Wisconsin .......... | 341 | 30,100 | 2,069,628 | 425,060 | 2,494,688 | 12,922 | 2,481,766 |
| East North Central | 2,008 | 235,481 | 14,770,610 | 2,769,014 | 17,539,624 | 78,073 | 17,461,551 |
| Minnesota .......... | 459 | 83,042 | 3,475,217 | 522,977 | 3,998,194 | 29,410 | 3,968,784 |
| Iowa ............... | 663 | 91,620 | 5,384,275 | 734,411 | 6,118,686 | 76,180 | 6,042,506 |
| Missouri ........... | 920 | 144,045 | 4,394,074 | 1,301,988 | 5,696,062 | 6,349 | 5,689,713 |
| North Dakota ....... | 277 | 145,030 | 1,400,874 | 470,279 | 1,871,153 | 1,905 | 1,869,248 |
| South Dakota ....... | 278 | 128,050 | 1,697,321 | 399,549 | 2,096,870 | 3,496 | 2,093,374 |
| Nebraska ........... | 358 | 107,409 | 3,065,831 | 473,359 | 3,539,190 | 11,110 | 3,528,080 |
| Kansas ............. | 430 | 112,158 | 3,101,420 | 661,465 | 3,762,885 | 4,886 | 3,757,999 |
| West North Central | 3,385 | 811,354 | 22,519,012 | 4,564,028 | 27,083,040 | 133,336 | 26,949,704 |
| Delaware ........... | 38 | 6,542 | 164,819 | 40,295 | 205,114 | 1,100 | 204,014 |
| Maryland ........... | 125 | 18,245 | 662,837 | 156,262 | 819,099 | 300 | 818,799 |
| Virginia ........... | 626 | 85,275 | 2,469,397 | 881,117 | 3,350,514 | 3,832 | 3,346,682 |
| West Virginia ...... | 284 | 39,060 | 1,065,727 | 325,539 | 1,391,266 | 900 | 1,390,366 |
| North Carolina ..... | 1,973 | 180,280 | 6,048,955 | 2,761,818 | 8,810,773 | 5,882 | 8,804,891 |
| South Carolina ..... | 1,682 | 184,586 | 4,390,068 | 2,653,830 | 7,043,898 | 6,620 | 7,037,278 |
| Georgia ............ | 2,924 | 356,296 | 6,444,497 | 4,789,380 | 11,233,877 | 7,760 | 11,226,117 |
| Florida ............ | 252 | 37,905 | 545,810 | 458,473 | 1,004,283 | 510 | 1,003,773 |
| South Atlantic ... | 7,904 | 908,189 | 21,792,110 | 12,066,714 | 33,858,824 | 26,904 | 33,831,920 |
| Kentucky ........... | 679 | 82,536 | 3,819,312 | 1,066,366 | 4,885,678 | 9,883 | 4,875,795 |
| Tennessee .......... | 1,203 | 144,411 | 4,542,920 | 1,933,445 | 6,476,365 | 4,093 | 6,472,272 |
| Alabama ............ | 2,562 | 257,047 | 5,966,493 | 4,285,762 | 10,252,255 | 14,966 | 10,237,289 |
| Mississippi ........ | 2,622 | 226,176 | 6,637,971 | 4,590,056 | 11,228,027 | 355 | 11,227,672 |
| East South Central | 7,066 | 710,170 | 20,966,696 | 11,875,629 | 32,842,325 | 29,297 | 32,813,028 |
| Arkansas ........... | 1,818 | 169,666 | 4,592,777 | 3,279,033 | 7,871,810 | 712 | 7,871,098 |
| Louisiana .......... | 1,303 | 98,155 | 3,781,662 | 2,736,245 | 6,517,907 | 1,645 | 6,516,262 |
| Oklahoma ........... | 1,220 | 227,728 | 5,674,431 | 1,855,289 | 7,529,720 | 18,195 | 7,511,525 |
| Texas .............. | 2,153 | 478,500 | 11,819,854 | 4,214,956 | 16,034,810 | 26,452 | 16,008,358 |
| West South Central | 6,494 | 974,049 | 25,868,724 | 12,085,523 | 37,954,247 | 47,004 | 37,907,243 |
| Montana ............ | 66 | 22,955 | 443,914 | 194,253 | 638,167 | 0 | 638,167 |
| Idaho .............. | 71 | 8,616 | 563,287 | 138,057 | 701,344 | 650 | 700,694 |
| Wyoming ............ | 28 | 5,017 | 188,611 | 65,683 | 254,294 | 2,380 | 251,914 |
| Colorado ........... | 137 | 29,858 | 1,129,160 | 258,712 | 1,387,872 | 5,672 | 1,382,200 |
| New Mexico ......... | 47 | 14,478 | 306,494 | 122,837 | 429,331 | 0 | 429,331 |
| Arizona ............ | 20 | 1,292 | 151,501 | 17,956 | 169,457 | 0 | 169,457 |
| Utah ............... | 32 | 2,878 | 207,201 | 45,208 | 252,409 | 0 | 252,409 |
| Nevada ............. | 5 | 1,321 | 38,931 | 3,869 | 42,800 | 0 | 42,800 |
| Mountain ......... | 406 | 86,415 | 3,029,099 | 846,575 | 3,875,674 | 8,702 | 3,866,972 |
| Washington ......... | 97 | 15,363 | 668,050 | 142,401 | 810,451 | 1,650 | 808,801 |
| Oregon ............. | 69 | 9,313 | 485,373 | 128,180 | 613,553 | 195 | 613,358 |
| California ......... | 189 | 10,570 | 1,381,729 | 301,135 | 1,682,864 | 1,240 | 1,681,624 |
| Pacific .......... | 355 | 35,246 | 2,535,152 | 571,716 | 3,106,868 | 3,085 | 3,103,783 |
| UNITED STATES ...... | 28,337 | 3,853,487 | 115,093,776 | 45,587,657 | 160,681,433 | 331,399 | 160,350,034 |
| Possessions 3/ ..... | 608 | 20,563 | 2,052,116 | 899,002 | 2,951,118 | 4,175 | 2,946,943 |

1/ Includes supplemental loans and loans from State corporation trust funds.
2/ Includes fees incidental to the purchase of properties, amounting to $1,222,470 in the United States and $28,694 in the possessions.
3/ Hawaii and Puerto Rico.

Farm Security Administration.

Table 14.- Commodity Credit Corporation: Cotton, corn, wheat, and other loans made, by States, 1941 and cumulative since organization 1/

| State and division | Calendar year 1941 | | | | | Cumulative, 1933 through 1941 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Cotton | Corn | Wheat | Other | Total | Cotton | Corn | Wheat | Other | Total |
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| Massachusetts ...... | - | - | - | - | - | - | - | - | 10,656 | 10,656 |
| New York ........... | - | - | 119 | - | 119 | - | - | 412 | - | 412 |
| Pennsylvania ....... | - | - | 502 | - | 502 | - | - | 607 | 21 | 628 |
| North Atlantic ... | - | - | 621 | - | 621 | - | - | 1,019 | 10,677 | 11,696 |
| Ohio ............... | - | 299 | 7,196 | 9 | 7,504 | - | 2,415 | 12,078 | 9 | 14,502 |
| Indiana ............ | - | 767 | 7,653 | 19 | 8,439 | - | 10,174 | 11,175 | 222 | 21,571 |
| Illinois ........... | 2 | 9,354 | 12,370 | 27 | 21,753 | 2 | 133,964 | 27,282 | 32,183 | 193,431 |
| Michigan ........... | - | 3 | 657 | 1 | 661 | - | 41 | 1,130 | 4 | 1,175 |
| Wisconsin .......... | - | 12 | - | - | 12 | - | 153 | 4,235 | 189 | 4,577 |
| East North Central | 2 | 10,435 | 27,876 | 56 | 38,369 | 2 | 146,747 | 55,900 | 32,607 | 235,256 |
| Minnesota .......... | - | 6,002 | 7,150 | 1,468 | 14,620 | - | 45,575 | 28,214 | 2,727 | 76,516 |
| Iowa ............... | - | 37,866 | 850 | 13 | 38,729 | - | 268,804 | 4,980 | 165 | 273,949 |
| Missouri ........... | 2,404 | 1,956 | 5,741 | 1 | 10,102 | 15,076 | 10,111 | 20,383 | 1,029 | 46,599 |
| North Dakota ....... | - | 49 | 58,756 | 1,623 | 60,428 | - | 87 | 126,053 | 3,519 | 129,659 |
| South Dakota ....... | - | 2,893 | 20,016 | 1,759 | 24,668 | - | 13,059 | 36,237 | 2,696 | 51,992 |
| Nebraska ........... | - | 9,286 | 24,286 | 3,088 | 36,660 | - | 52,512 | 43,354 | 3,229 | 99,095 |
| Kansas ............. | - | 382 | 77,251 | 317 | 77,950 | - | 4,572 | 131,105 | 518 | 136,195 |
| West North Central | 2,404 | 58,434 | 194,050 | 8,269 | 263,157 | 15,076 | 394,720 | 390,326 | 13,883 | 814,005 |
| Delaware ........... | - | - | 571 | - | 571 | - | - | 572 | - | 572 |
| Maryland ........... | - | - | 1,925 | - | 1,925 | - | - | 1,971 | - | 1,971 |
| Virginia ........... | 37 | - | 430 | 640 | 1,107 | 2,352 | - | 704 | 3,474 | 6,530 |
| West Virginia ...... | - | - | 37 | 52 | 89 | - | - | 76 | 52 | 128 |
| North Carolina ..... | 2,446 | - | 10 | - | 2,456 | 28,691 | - | 10 | 1,885 | 30,586 |
| South Carolina ..... | 3,908 | - | 2 | - | 3,910 | 45,378 | - | 2 | - | 45,380 |
| Georgia ............ | 9,305 | - | - | 1,842 | 11,147 | 94,004 | - | - | 37,838 | 131,842 |
| Florida ............ | 35 | - | - | - | 35 | 318 | - | - | - | 318 |
| South Atlantic ... | 15,731 | - | 2,975 | 2,534 | 21,240 | 170,743 | - | 3,335 | 43,249 | 217,327 |
| Kentucky ........... | - | 54 | 1,160 | 4,681 | 5,895 | - | 193 | 2,172 | 7,953 | 10,318 |
| Tennessee .......... | 2,377 | - | 612 | 1,475 | 4,464 | 52,866 | - | 1,123 | 8,215 | 62,204 |
| Alabama ............ | 10,395 | - | - | - | 10,395 | 112,155 | - | - | - | 112,155 |
| Mississippi ........ | 4,310 | - | - | - | 4,310 | 100,139 | - | - | - | 100,139 |
| East South Central | 17,082 | 54 | 1,772 | 6,156 | 25,064 | 265,160 | 193 | 3,295 | 16,168 | 284,816 |
| Arkansas ........... | 8,737 | - | 1 | - | 8,738 | 100,772 | - | 11 | - | 100,783 |
| Louisiana .......... | 1,469 | - | - | - | 1,469 | 46,785 | - | - | - | 46,785 |
| Oklahoma ........... | 15,982 | - | 17,155 | 60 | 33,197 | 44,574 | - | 40,355 | 71 | 85,000 |
| Texas .............. | 58,164 | - | 16,805 | 474 | 75,443 | 298,556 | - | 47,284 | 3,756 | 349,596 |
| West South Central | 84,352 | - | 33,961 | 534 | 118,847 | 490,687 | - | 87,650 | 3,827 | 582,164 |
| Montana ............ | - | - | 29,704 | 103 | 29,807 | - | - | 64,628 | 189 | 64,817 |
| Idaho .............. | - | - | 7,543 | 48 | 7,591 | - | - | 17,147 | 132 | 17,279 |
| Wyoming ............ | - | - | 1,949 | 27 | 1,976 | - | - | 2,787 | 281 | 3,068 |
| Colorado ........... | - | - | 10,098 | 100 | 10,198 | - | 87 | 13,994 | 415 | 14,496 |
| New Mexico ......... | 1,090 | - | 617 | 1 | 1,708 | 6,049 | - | 1,131 | 454 | 7,634 |
| Arizona ............ | 5,223 | - | - | - | 5,223 | 16,672 | - | - | - | 16,672 |
| Utah ............... | - | - | 1,228 | 19 | 1,247 | - | - | 2,661 | 524 | 3,185 |
| Nevada ............. | - | - | 2 | - | 2 | - | - | 2 | - | 2 |
| Mountain .......... | 6,313 | - | 51,141 | 298 | 57,752 | 22,721 | 87 | 102,350 | 1,995 | 127,153 |
| Washington ......... | - | - | 19,146 | 12 | 19,158 | - | - | 39,709 | 28 | 39,737 |
| Oregon ............. | - | - | 13,614 | 12 | 13,626 | - | - | 24,364 | 81 | 24,445 |
| California ......... | 14,972 | - | 681 | 5,246 | 20,899 | 37,283 | - | 853 | 19,055 | 57,191 |
| Pacific .......... | 14,972 | - | 33,441 | 5,270 | 53,683 | 37,283 | - | 64,926 | 19,164 | 121,373 |
| Unallocated: | | | | | | | | | | |
| 1933-34 Cotton pool loans ..... | - | - | - | - | - | 51,416 | - | - | - | 51,416 |
| Tobacco programs 2/ ....... | - | - | - | 30,824 | 30,824 | - | - | - | 102,668 | 102,668 |
| Dairy products program ........ | - | - | - | 1,922 | 1,922 | - | - | - | 1,922 | 1,922 |
| Other purchases 3/ | - | - | - | 321,762 | 321,762 | - | - | - | 321,762 | 321,762 |
| Other unallocated | - | - | - | 4/ 303 | 4/ 303 | 5/ 105,907 | 6/ 9,952 | - | 8,980 | 5/ 6/ 124,839 |
| UNITED STATES ...... | 140,856 | 68,923 | 345,837 | 377,928 | 933,544 | 1,158,995 | 551,699 | 708,801 | 576,902 | 2,996,397 |

1/ Includes face amounts of loans made directly by the Corporation, guaranteed loans made by banks and other lending agencies, and purchases of commodities by the Corporation. Excludes renewals, extensions, and storage advances. Guaranteed loans made by cooperatives on 1940 and 1941 cotton are distributed according to location of producer receiving the loan, whereas loans made directly to cooperative associations are distributed according to location of the association.
2/ Represents purchases for the Corporation under repurchase options granted to exporters, and also loans to exporters. Excludes loans to cooperatives, which are included in distribution by States.
3/ Represents expenditures for purchasing, handling, and transporting commodities, principally foodstuffs, bought for lend-lease operations or domestic distribution.
4/ Seed purchase programs.
5/ Includes $99,498,000 of 1933 loans.
6/ Includes $7,980,000 of 1938 loans made on 1937 corn.

Commodity Credit Corporation.

Table 15.- Commodity Credit Corporation: Loan and purchase operations from organization to July 1, 1942, and loans outstanding and commodities owned on July 1, 1942

| Commodity program | Total loans and purchases made 1/ | Loans outstanding July 1, 1942: Held by Corporation 2/ | Loans outstanding July 1, 1942: Held by banks and others | Loans outstanding July 1, 1942: Total | Commodities: Unit | Commodities: Total pledged for loans or purchased 3/ | Commodities: Held July 1, 1942 as security for loans 3/ | Commodities: Owned by Corporation July 1, 1942 4/: Quantity | Commodities: Owned by Corporation July 1, 1942 4/: Book value 5/ |
|---|---|---|---|---|---|---|---|---|---|
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | | 1,000 units | 1,000 units | 1,000 units | 1,000 dollars |
| Cotton: | | | | | | | | | |
| 1941 | 153,646 | 4,378 | 6/ 60,381 | 64,759 | Bales | 2,221 | 971 | 0 | 0 |
| 1940 | 153,140 | 56 | 0 | 56 | do. | 3,180 | 1 | 7/ 2 | 19 |
| Previous | 8/ 889,263 | 23 | 0 | 23 | do. | 8/ 16,766 | 9/ | 3,990 | 241,013 |
| Total | 1,196,049 | 4,457 | 60,381 | 64,838 | do. | 22,167 | 972 | 3,992 | 241,032 |
| Corn: | | | | | | | | | |
| 1941 | 80,463 | 954 | 76,206 | 77,160 | Bushels | 110,250 | 105,768 | 0 | 0 |
| 1940 | 62,909 | 955 | 21,863 | 22,818 | do. | 103,242 | 37,418 | 10/ | 10/ |
| Previous | 11/ 479,890 | 53,630 | 0 | 53,630 | do. | 11/ 911,754 | 80,644 | 10/ | 10/ |
| Total | 623,262 | 55,539 | 98,069 | 153,608 | do. | 1,125,246 | 223,830 | 62,287 | 46,728 |
| Wheat: | | | | | | | | | |
| 1942 | 1,426 | 481 | 945 | 1,426 | do. | 1,254 | 1,254 | 0 | 0 |
| Resealed 1941 | 0 | 9,706 | 0 | 9,706 | do. | 0 | 10,225 | 0 | 0 |
| 1941 | 360,589 | 82,257 | 5,651 | 87,908 | do. | 366,853 | 91,518 | 205,603 | 229,813 |
| Previous | 367,188 | 795 | 0 | 795 | do. | 531,845 | 1,052 | 114,086 | 115,575 |
| Total | 729,203 | 93,239 | 6,596 | 99,835 | do. | 899,952 | 104,049 | 319,689 | 345,388 |
| Tobacco: 12/ | | | | | | | | | |
| 1941, flue-cured 13/ | 29,965 | 0 | 0 | 0 | Pounds | 106,771 | 0 | 105,555 | 32,493 |
| 1941, other 13/ | 3,399 | 1,409 | 0 | 1,409 | do. | 22,191 | 7,480 | 14,139 | 2,406 |
| 1940, flue-cured | 37,712 | 2,793 | 0 | 2,793 | do. | 14/ 201,087 | 14,436 | 96,834 | 23,749 |
| 1940, other | 7,687 | 1,963 | 0 | 1,963 | do. | 66,233 | 14,697 | 546 | 106 |
| Previous | 44,513 | 481 | 0 | 481 | do. | 15/ 258,268 | 4,691 | 4,054 | 814 |
| Total | 123,276 | 6,646 | 0 | 6,646 | do. | 654,550 | 41,304 | 221,128 | 59,568 |
| Barley: | | | | | | | | | |
| Resealed 1941 | 0 | 227 | 0 | 227 | Bushels | 0 | 523 | 0 | 0 |
| 1941 | 6,877 | 1,571 | 280 | 1,851 | do. | 16,251 | 4,217 | 4 | 2 |
| Resealed 1940 | 0 | 15 | 0 | 15 | do. | 0 | 47 | 0 | 0 |
| 1940 | 2,380 | 8 | 0 | 8 | do. | 7,467 | 25 | 4 | 2 |
| Total | 9,257 | 1,821 | 280 | 2,101 | do. | 23,718 | 4,812 | 8 | 4 |
| Butter: | | | | | | | | | |
| 1940 | 19 | 0 | 0 | 0 | Pounds | 66 | 0 | 0 | 0 |
| Previous | 32,137 | 0 | 0 | 0 | do. | 127,100 | 0 | 0 | 0 |
| Total | 32,156 | 0 | 0 | 0 | do. | 127,166 | 0 | 0 | 0 |
| Dates: 1937 | 61 | 0 | 0 | 0 | do. | 1,533 | 0 | 0 | 0 |
| Figs: 1937-39 | 260 | 0 | 0 | 0 | Tons | 14.6 | 0 | 0 | 0 |
| Flaxseed: 1941 | 1,221 | 72 | 20 | 92 | Bushels | 731 | 55 | 0 | 0 |
| Grain sorghums: | | | | | | | | | |
| 1941 | 109 | 46 | 15 | 61 | do. | 323 | 173 | 10 | 4 |
| 1940 | 22 | 0 | 0 | 0 | do. | 78 | 0 | 0 | 0 |
| Total | 131 | 46 | 15 | 61 | do. | 401 | 173 | 10 | 4 |
| Hops: 1938 | 1,388 | 0 | 0 | 0 | Pounds | 7,077 | 0 | 0 | 0 |
| Peanuts: | | | | | | | | | |
| 1940 | 1,867 | 0 | 0 | 0 | Tons | 29.4 | 0 | 0 | 0 |
| Previous | 13,119 | 0 | 0 | 0 | do. | 220.8 | 0 | 0 | 0 |
| Total | 14,986 | 0 | 0 | 0 | do. | 250.2 | 0 | 0 | 0 |
| Pecans: 1938 | 371 | 0 | 0 | 0 | Pounds | 3,705 | 0 | 0 | 0 |
| Prunes: | | | | | | | | | |
| 1940 | 5,383 | 0 | 0 | 0 | Tons | 91.1 | 0 | 0 | 0 |
| Previous | 2,754 | 0 | 0 | 0 | do. | 78.9 | 0 | 0 | 0 |
| Total | 8,137 | 0 | 0 | 0 | do. | 170.0 | 0 | 0 | 0 |
| Raisins: | | | | | | | | | |
| 1940 | 5,146 | 0 | 0 | 0 | do. | 109.2 | 0 | 0 | 0 |
| Previous | 3,933 | 0 | 0 | 0 | do. | 128.1 | 0 | 0 | 0 |
| Total | 9,079 | 0 | 0 | 0 | do. | 237.3 | 0 | 0 | 0 |
| Rye: | | | | | | | | | |
| Resealed 1941 | 0 | 16 | 0 | 16 | Bushels | 0 | 31 | 0 | 0 |
| 1941 | 1,217 | 714 | 27 | 741 | do. | 2,442 | 1,475 | 0 | 0 |
| Resealed 1940 | 0 | 116 | 0 | 116 | do. | 0 | 257 | 0 | 0 |
| 1940 | 1,618 | 2 | 0 | 2 | do. | 4,243 | 5 | 18 | 10 |
| 1939 | 567 | 9/ | 0 | 9/ | do. | 1,500 | 9/ | 1 | 9/ |
| Total | 3,402 | 848 | 27 | 875 | do. | 8,185 | 1,768 | 19 | 10 |
| Soybeans: 1941 | 151 | 13 | 71 | 84 | do. | 146 | 81 | 0 | 0 |
| Wool and mohair: 1938-39 | 16,830 | 0 | 0 | 0 | Pounds | 93,978 | 0 | 0 | 0 |
| Naval stores: | | | | | | | | | |
| 1942, rosin | 669 | 670 | 0 | 670 | Barrels | 42 | 42 | 0 | 0 |
| 1942, turpentine | 516 | 516 | 0 | 516 | Gallons | 933 | 933 | 0 | 0 |
| 1941, rosin | 1,576 | 1,564 | 0 | 1,564 | Barrels | 133 | 128 | 0 | 0 |
| Previous, rosin | 26,463 | 5,103 | 0 | 5,103 | do. | 2,502 | 446 | 0 | 0 |
| Previous, turpentine | 7,486 | 0 | 0 | 0 | Gallons | 26,885 | 0 | 0 | 0 |
| Total naval stores | 36,710 | 7,853 | 0 | 7,853 | | - | - | 0 | 0 |
| Miscellaneous commodities 16/ | 939,637 | 416 | 0 | 416 | | - | - | - | 399,135 |
| Grand total | 3,745,567 | 170,950 | 165,459 | 336,409 | | - | - | - | 1,091,869 |

1/ Loans and purchases made by the Commodity Credit Corporation and guaranteed loans made by banks and other lending agencies. Excludes renewals, extensions, and most storage and transportation advances.
2/ Includes disbursements by the Corporation for certain charges, such as storage, but excludes unpaid accrued charges
3/ Represents collateral for loans held by the Corporation and by banks and others.
4/ Includes commodities in process of sale.
5/ Includes unpaid accrued charges.
6/ Includes $48,500,000 of certificates of participation.
7/ In process of final liquidation with inventory adjustments pending.
8/ Second-lien loans of $51,416,000 to the cotton producers' pool in 1933 and 1934 are included, but the number of bales involved is not included with collateral pledged.
9/ Less than 1,000.
10/ Breakdown by years not available.
11/ Partly estimated.
12/ Tobacco figures include purchases as follows: 342,816,000 pounds green weight of 1939 and 1940 flue-cured, $66,155,000; 106,771,000 pounds dry weight of 1939 and 1941 flue-cured, $29,965,000; 3,380,000 pounds green weight of 1939 dark tobacco, $453,000; 14,779,000 pounds dry weight of 1939, 1940, and 1941 dark tobacco, $2,187,000; and 183,000 pounds dry weight of 1941 cigar leaf, $22,000.
13/ Includes a small amount of 1939 crop purchased in 1941.
14/ Includes 168,851,000 pounds green weight.
15/ Includes 182,886,000 pounds green weight.
16/ Includes purchases of seed for winter cover crops, dairy products, agricultural supplies, and expenditures for commodities bought for lend-lease operations or domestic distribution.

Commodity Credit Corporation.

Table 16.- Rural Electrification Administration: Loans made and number of rural consumers connected, from organization to January 1, 1942

| State and division | Number of borrowers | Loans made: Total | Classified by type of borrower: Cooperative associations | Public bodies 1/ | Private utilities | Classified by purpose: Construction 2/ | Wiring, plumbing, and other 3/ | Rural consumers connected |
|---|---|---|---|---|---|---|---|---|
| | Number | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | Number |
| Maine | 4 | 488 | 488 | 0 | 0 | 475 | 13 | 708 |
| New Hampshire | 1 | 1,273 | 1,273 | 0 | 0 | 1,247 | 26 | 2,281 |
| Vermont | 3 | 787 | 787 | 0 | 0 | 768 | 19 | 1,489 |
| Massachusetts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rhode Island | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Connecticut | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New England | 8 | 2,548 | 2,548 | 0 | 0 | 2,490 | 58 | 4,478 |
| New York | 7 | 2,067 | 0 | 0 | 2,067 | 2,066 | 1 | 5,720 |
| New Jersey | 2 | 474 | 474 | 0 | 0 | 471 | 3 | 1,188 |
| Pennsylvania | 13 | 9,192 | 9,192 | 0 | 0 | 9,104 | 88 | 25,287 |
| Middle Atlantic | 22 | 11,733 | 9,666 | 0 | 2,067 | 11,641 | 92 | 32,195 |
| Ohio | 28 | 15,653 | 15,653 | 0 | 0 | 15,532 | 121 | 47,807 |
| Indiana | 45 | 19,200 | 18,770 | 0 | 430 | 19,128 | 72 | 62,817 |
| Illinois | 28 | 17,681 | 17,600 | 0 | 81 | 17,540 | 141 | 44,372 |
| Michigan | 13 | 12,084 | 12,084 | 0 | 0 | 11,827 | 257 | 28,184 |
| Wisconsin | 33 | 15,512 | 15,422 | 90 | 0 | 15,209 | 303 | 29,460 |
| East North Central | 147 | 80,130 | 79,529 | 90 | 511 | 79,236 | 894 | 212,640 |
| Minnesota | 52 | 22,664 | 22,664 | 0 | 0 | 22,100 | 564 | 48,681 |
| Iowa | 53 | 21,460 | 21,328 | 95 | 37 | 21,324 | 136 | 48,330 |
| Missouri | 37 | 14,235 | 14,123 | 0 | 112 | 14,041 | 194 | 33,356 |
| North Dakota | 8 | 2,915 | 2,915 | 0 | 0 | 2,818 | 97 | 4,198 |
| South Dakota | 11 | 1,671 | 1,671 | 0 | 0 | 1,641 | 30 | 2,933 |
| Nebraska | 22 | 9,940 | 0 | 9,940 | 0 | 9,547 | 393 | 15,562 |
| Kansas | 25 | 7,191 | 7,156 | 0 | 35 | 7,115 | 76 | 13,826 |
| West North Central | 208 | 80,076 | 69,857 | 10,035 | 184 | 78,586 | 1,490 | 166,886 |
| Delaware | 1 | 952 | 952 | 0 | 0 | 949 | 3 | 2,686 |
| Maryland | 2 | 1,437 | 1,437 | 0 | 0 | 1,437 | 0 | 2,830 |
| Virginia | 17 | 8,429 | 7,954 | 0 | 475 | 8,355 | 74 | 21,835 |
| West Virginia | 2 | 613 | 613 | 0 | 0 | 608 | 5 | 1,188 |
| North Carolina | 34 | 10,649 | 10,193 | 247 | 209 | 10,372 | 277 | 34,065 |
| South Carolina | 26 | 7,267 | 5,339 | 1,928 | 0 | 7,125 | 142 | 26,143 |
| Georgia | 45 | 15,421 | 15,314 | 0 | 107 | 14,814 | 607 | 58,595 |
| Florida | 14 | 2,849 | 2,637 | 0 | 212 | 2,771 | 78 | 7,092 |
| South Atlantic | 141 | 47,617 | 44,439 | 2,175 | 1,003 | 46,431 | 1,186 | 154,434 |
| Kentucky | 27 | 10,032 | 9,961 | 0 | 71 | 9,891 | 141 | 31,438 |
| Tennessee | 31 | 11,292 | 10,277 | 1,015 | 0 | 11,281 | 11 | 56,100 |
| Alabama | 23 | 6,939 | 6,666 | 273 | 0 | 6,824 | 115 | 26,340 |
| Mississippi | 24 | 9,799 | 9,730 | 69 | 0 | 9,581 | 218 | 42,234 |
| East South Central | 105 | 38,062 | 36,634 | 1,357 | 71 | 37,577 | 485 | 156,112 |
| Arkansas | 18 | 7,373 | 6,850 | 0 | 523 | 7,266 | 107 | 18,626 |
| Louisiana | 14 | 3,632 | 3,582 | 0 | 50 | 3,586 | 46 | 11,370 |
| Oklahoma | 24 | 8,877 | 8,690 | 0 | 187 | 8,781 | 96 | 20,401 |
| Texas | 74 | 26,019 | 25,500 | 519 | 0 | 25,581 | 438 | 74,729 |
| West South Central | 130 | 45,901 | 44,622 | 519 | 760 | 45,214 | 687 | 125,126 |
| Montana | 13 | 2,963 | 2,963 | 0 | 0 | 2,927 | 36 | 6,463 |
| Idaho | 9 | 2,955 | 2,955 | 0 | 0 | 2,906 | 49 | 5,882 |
| Wyoming | 12 | 2,077 | 2,007 | 0 | 70 | 1,996 | 81 | 3,821 |
| Colorado | 19 | 5,045 | 5,009 | 0 | 36 | 4,979 | 66 | 10,420 |
| New Mexico | 6 | 1,073 | 958 | 0 | 115 | 997 | 76 | 1,997 |
| Arizona | 3 | 750 | 519 | 142 | 89 | 742 | 8 | 1,129 |
| Utah | 4 | 908 | 903 | 0 | 5 | 857 | 51 | 1,762 |
| Nevada | 2 | 210 | 0 | 210 | 0 | 205 | 5 | 417 |
| Mountain | 68 | 15,981 | 15,314 | 352 | 315 | 15,609 | 372 | 31,891 |
| Washington | 19 | 5,305 | 4,492 | 813 | 0 | 5,273 | 32 | 9,649 |
| Oregon | 13 | 2,501 | 2,501 | 0 | 0 | 2,442 | 59 | 4,732 |
| California | 5 | 1,869 | 1,169 | 700 | 0 | 1,869 | 0 | 3,819 |
| Pacific | 37 | 9,675 | 8,162 | 1,513 | 0 | 9,584 | 91 | 18,200 |
| UNITED STATES | 866 | 331,723 | 310,771 | 16,041 | 4,911 | 326,368 | 5,355 | 901,962 |
| Alaska | 2 | 133 | 133 | 0 | 0 | 133 | 0 | 0 |
| Virgin Islands | 1 | 177 | 177 | 0 | 0 | 177 | 0 | 304 |

1/ Municipalities, public power districts, and irrigation districts.
2/ Principally line construction, but includes amounts for working capital and for generating plants.
3/ These funds were loaned to borrowers for relending to individuals.

Rural Electrification Administration.

Table 17.- Taxes levied on farm property and automotive taxes paid by farmers, United States, average 1909-13, annual 1924-41

| Year | Property taxes levied 1/ | | Automotive taxes paid | | |
|---|---|---|---|---|---|
| | | | | Motor fuel taxes 3/ | |
| | Farm real estate | Farm personal property 2/ | Licenses and permits | State | Federal |
| | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars | 1,000 dollars |
| 1909-13 average | 184,315 | 28,437 | 4/ 1,195 | | |
| 1924 | 511,370 | 62,938 | 36,084 | 11,612 | |
| 1925 | 516,790 | 62,622 | 41,127 | 21,896 | |
| 1926 | 525,564 | 63,786 | 45,446 | 28,209 | |
| 1927 | 544,690 | 65,417 | 47,626 | 37,294 | |
| 1928 | 555,635 | 69,594 | 50,310 | 42,680 | |
| 1929 | 567,493 | 73,323 | 52,808 | 55,626 | |
| 1930 | 566,956 | 71,082 | 55,092 | 63,108 | |
| 1931 | 526,454 | 54,678 | 53,217 | 61,873 | |
| 1932 | 461,670 | 42,779 | 49,831 | 56,895 | 8,953 |
| 1933 | 399,168 | 34,377 | 44,713 | 56,687 | 22,827 |
| 1934 | 384,842 | 35,146 | 44,815 | 60,586 | 18,621 |
| 1935 | 393,878 | 36,758 | 46,948 | 65,745 | 20,604 |
| 1936 | 396,277 | 39,886 | 50,830 | 70,570 | 21,438 |
| 1937 | 403,967 | 41,203 | 56,181 | 74,959 | 23,199 |
| 1938 | 401,998 | 42,169 | 55,702 | 76,057 | 23,354 |
| 1939 | 408,565 | 43,441 | 56,472 | 77,771 | 24,126 |
| 1940 | 401,954 | 5/ 44,000 | 5/ 59,000 | 5/ 80,000 | 5/ 25,000 |
| 1941 | 402,791 | - | - | - | - |

1/ Levies rather than payments are shown for property taxes because data for payments are not available for many States. For the country as a whole levies and payments probably are about equal over long periods. Some figures revised from those in Agricultural Finance Review, May 1941.
2/ Includes taxes levied on motor vehicles under general property tax laws.
3/ State taxation of motor fuel began in 1919, Federal in 1932.
4/ 1910-14 average.
5/ Preliminary.

Table 18.- Tax levies on farm real estate: Amount per acre, index numbers of amount per acre, and amount per $100 of value, United States, 1890-1941

| Year | Taxes per acre | | Taxes per $100 of value 2/ | Year | Taxes per acre | | Taxes per $100 of value 2/ |
|---|---|---|---|---|---|---|---|
| | Amount | Index 1/ (1909-13 = 100) | | | Amount | Index 1/ (1909-13 = 100) | |
| | Dollars | Percent | Dollars | | Dollars | Percent | Dollars |
| 1890 | 0.13 | 63 | 3/ | 1916 | 0.28 | 136 | 0.57 |
| 1891 | .13 | 63 | 3/ | 1917 | .31 | 151 | .58 |
| 1892 | .13 | 64 | 3/ | 1918 | .33 | 160 | .57 |
| 1893 | .13 | 65 | 3/ | 1919 | .41 | 200 | .59 |
| 1894 | .13 | 64 | 3/ | 1920 | .51 | 244 | .79 |
| 1895 | .14 | 65 | 3/ | 1921 | .54 | 259 | .94 |
| 1896 | .13 | 63 | 3/ | 1922 | .54 | 261 | .96 |
| 1897 | .13 | 64 | 3/ | 1923 | .55 | 266 | 1.01 |
| 1898 | .13 | 63 | 3/ | 1924 | .55 | 265 | 1.03 |
| 1899 | .13 | 63 | 3/ | 1925 | .56 | 270 | 1.07 |
| 1900 | .13 | 62 | 3/ | 1926 | .56 | 271 | 1.12 |
| 1901 | .13 | 64 | 3/ | 1927 | .57 | 277 | 1.15 |
| 1902 | .14 | 65 | 3/ | 1928 | .58 | 279 | 1.18 |
| 1903 | .15 | 71 | 3/ | 1929 | .58 | 281 | 1.19 |
| 1904 | .15 | 72 | 3/ | 1930 | .57 | 277 | 1.30 |
| 1905 | .15 | 74 | 3/ | 1931 | 4/ .53 | 4/ 254 | 4/ 1.44 |
| 1906 | .15 | 75 | 3/ | 1932 | 4/ .46 | 4/ 220 | 4/ 1.54 |
| 1907 | .16 | 79 | 3/ | 1933 | .39 | 4/ 188 | 1.28 |
| 1908 | .17 | 84 | 3/ | 1934 | .37 | 178 | 1.19 |
| 1909 | .19 | 90 | 0.48 | 1935 | .37 | 180 | 4/ 1.15 |
| 1910 | .19 | 91 | .47 | 1936 | .38 | 4/ 181 | 4/ 1.16 |
| 1911 | .21 | 99 | .50 | 1937 | .39 | 4/ 186 | 4/ 1.19 |
| 1912 | .21 | 103 | .49 | 1938 | 4/ .38 | 4/ 183 | 4/ 1.19 |
| 1913 | .24 | 117 | .55 | 1939 | .39 | 4/ 186 | 4/ 1.23 |
| 1914 | .24 | 118 | .56 | 1940 | .38 | 183 | 1.18 |
| 1915 | .26 | 128 | .57 | 1941 | .38 | 183 | 1.10 |

1/ Index numbers computed before rounding tax-per-acre data to nearest cent.
2/ Derived from the tax-per-acre figures in column 1 and value-per-acre figures based on Census reports and the farm real estate value index of the Bureau of Agricultural Economics.
3/ Unavailable.
4/ Revised.

Table 19.- Tax levies on farm real estate: Amount per acre, by States, 1910, 1915, 1920, 1925, 1930, and 1932-41 1/

| State and division | 1910 | 1915 | 1920 | 1925 | 1930 | 1932 | 1933 | 1934 | 1935 | 1936 | 1937 | 1938 | 1939 | 1940 | 1941 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. |
| Maine | 0.27 | 0.33 | 0.55 | 0.62 | 0.81 | 0.76 | 0.68 | 0.75 | 0.75 | 0.78 | 0.80 | 0.82 | 0.83 | 0.84 | 0.84 |
| New Hampshire | .29 | .35 | .57 | .69 | .78 | .75 | .61 | .64 | .75 | .80 | .83 | .87 | .89 | .87 | .87 |
| Vermont | .20 | .25 | .45 | .51 | .58 | .52 | .46 | .43 | .45 | .48 | .50 | .51 | .53 | .53 | .54 |
| Massachusetts | .78 | .98 | 1.55 | 2.00 | 2.16 | 2.29 | 2.26 | 2.44 | 2.61 | 2.61 | 2.63 | 2.67 | 2.75 | 2.70 | 2.68 |
| Rhode Island | .44 | .54 | .81 | 1.03 | 1.35 | 1.37 | 1.29 | 1.33 | 1.36 | 1.35 | 1.36 | 1.42 | 1.62 | 1.68 | 1.69 |
| Connecticut | .46 | .61 | 1.08 | 1.36 | 1.63 | 1.63 | 1.63 | 1.66 | 1.79 | 1.78 | 1.77 | 1.80 | 1.87 | 1.85 | 1.88 |
| New England | .36 | .44 | .74 | .90 | 1.03 | 1.02 | .97 | 1.02 | 1.09 | 1.10 | 1.12 | 1.14 | 1.17 | 1.16 | 1.16 |
| New York | .38 | .53 | .87 | 1.04 | 1.04 | .97 | .89 | .90 | .95 | .99 | 1.04 | 1.07 | 1.11 | 1.09 | 1.09 |
| New Jersey | 2/ | .81 | 1.50 | 2.18 | 2.74 | 2.38 | 2.12 | 2.01 | 2.03 | 2.03 | 2.15 | 2.19 | 2.31 | 2.21 | 2.20 |
| Pennsylvania | .47 | .51 | .82 | 1.11 | 1.30 | 1.22 | 1.09 | 1.01 | .97 | .98 | .98 | .97 | .97 | .99 | 1.00 |
| Middle Atlantic | .44 | .54 | .89 | 1.13 | 1.24 | 1.15 | 1.04 | 1.01 | 1.02 | 1.04 | 1.07 | 1.09 | 1.12 | 1.11 | 1.11 |
| Ohio | .45 | .60 | 1.07 | 1.31 | 1.36 | 1.02 | .91 | .68 | .65 | .64 | .65 | .66 | .68 | .68 | .69 |
| Indiana | .48 | .66 | 1.26 | 1.40 | 1.47 | 1.03 | .64 | .64 | .69 | .71 | .69 | .69 | .76 | .75 | .77 |
| Illinois | .35 | .52 | .99 | 1.15 | 1.16 | .92 | .72 | .72 | .79 | .83 | .87 | .91 | .95 | .97 | .97 |
| Michigan | .37 | .63 | 1.23 | 1.26 | 1.34 | .86 | .58 | .54 | .46 | .43 | .43 | .45 | .45 | .46 | .46 |
| Wisconsin | .29 | .49 | 1.04 | .96 | 1.05 | .73 | .71 | .69 | .75 | .76 | .80 | .81 | .78 | .78 | .81 |
| East North Central | .39 | .57 | 1.10 | 1.21 | 1.26 | .91 | .72 | .66 | .69 | .70 | .71 | .73 | .75 | .76 | .77 |
| Minnesota | .20 | .35 | .76 | .78 | .87 | .67 | .67 | .59 | .61 | .64 | .64 | .66 | .68 | .66 | .67 |
| Iowa | .33 | .60 | 1.10 | 1.15 | 1.24 | 1.02 | .90 | .85 | .94 | .97 | .99 | .99 | 1.04 | .99 | 1.00 |
| Missouri | .13 | .16 | .28 | .43 | .45 | .36 | .32 | .32 | .32 | .32 | .32 | .32 | .32 | .32 | .32 |
| North Dakota | .13 | .20 | .44 | .37 | .38 | .27 | .25 | .24 | .23 | .22 | .23 | .23 | .22 | .22 | .20 |
| South Dakota | .12 | .17 | .45 | .44 | .44 | .32 | .19 | .22 | .23 | .22 | .25 | .25 | .23 | .22 | .21 |
| Nebraska | .15 | .19 | .42 | .42 | .44 | .35 | .29 | .28 | .29 | .29 | .32 | .32 | .31 | .30 | .30 |
| Kansas | .17 | .23 | .42 | .52 | .55 | .40 | .36 | .36 | .37 | .39 | .40 | .39 | .39 | .36 | .39 |
| West North Central | .18 | .27 | .54 | .58 | .61 | .47 | .41 | .39 | .41 | .42 | .43 | .43 | .44 | .42 | .42 |
| Delaware | .24 | .32 | .68 | .73 | .50 | .43 | .41 | .38 | .36 | .34 | .33 | .31 | .29 | .31 | .32 |
| Maryland | .40 | .42 | .72 | .88 | .93 | .85 | .66 | .60 | .66 | .69 | .71 | .73 | .78 | .80 | .80 |
| Virginia | .10 | .13 | .23 | .34 | .34 | .26 | .24 | .25 | .25 | .25 | .25 | .26 | .26 | .26 | .27 |
| West Virginia | .11 | .17 | .31 | .43 | .46 | .38 | .16 | .15 | .16 | .16 | .16 | .16 | .17 | .16 | .16 |
| North Carolina | .06 | .12 | .34 | .55 | .59 | .47 | .33 | .32 | .32 | .32 | .35 | .36 | .36 | .37 | .37 |
| South Carolina | .13 | .15 | .35 | .39 | .40 | .37 | .33 | .30 | .30 | .30 | .30 | .28 | .29 | .30 | .29 |
| Georgia | .10 | .15 | .28 | .29 | .30 | .26 | .23 | .22 | .23 | .22 | .24 | .16 | .14 | .14 | .15 |
| Florida | .09 | .23 | .46 | .95 | .70 | .59 | .58 | .58 | .44 | .42 | .41 | .45 | .47 | .51 | .48 |
| South Atlantic | .11 | .16 | .33 | .46 | .45 | .38 | .30 | .29 | .29 | .29 | .30 | .28 | .28 | .29 | .30 |
| Kentucky | .15 | .17 | .38 | .40 | .43 | .39 | .34 | .28 | .30 | .29 | .29 | .30 | .32 | .32 | .32 |
| Tennessee | .14 | .17 | .40 | .43 | .47 | .40 | .36 | .36 | .37 | .38 | .39 | .39 | .38 | .38 | .40 |
| Alabama | .08 | .11 | .19 | .21 | .25 | .23 | .21 | .21 | .21 | .22 | .21 | .20 | .20 | .20 | .21 |
| Mississippi | .13 | .16 | .50 | .59 | .64 | .53 | .56 | .52 | .53 | .57 | .58 | .40 | .39 | .42 | .42 |
| East South Central | .12 | .15 | .30 | .41 | .45 | .36 | .37 | .34 | .35 | .36 | .37 | .32 | .32 | .33 | .34 |
| Arkansas | .13 | .17 | .33 | .34 | .32 | .30 | .29 | .29 | .28 | .29 | .29 | .29 | .29 | .29 | .29 |
| Louisiana | .14 | .19 | .55 | .57 | .57 | .49 | .49 | .46 | .45 | .39 | .39 | .37 | .33 | .32 | .35 |
| Oklahoma | .14 | .23 | .38 | .42 | .47 | .34 | .25 | .23 | .23 | .24 | .23 | .24 | .24 | .24 | .24 |
| Texas | .05 | .09 | .16 | .20 | .23 | .17 | .16 | .16 | .14 | .15 | .14 | .13 | .14 | .14 | .13 |
| West South Central | .08 | .13 | .24 | .27 | .30 | .23 | .21 | .20 | .19 | .19 | .18 | .18 | .18 | .18 | .18 |
| Montana | .06 | .08 | .14 | .13 | .14 | .13 | .13 | .11 | .11 | .10 | .11 | .11 | .11 | .11 | .10 |
| Idaho | .17 | .30 | .63 | .58 | .64 | .54 | .50 | .48 | .45 | .42 | .46 | .40 | .46 | .45 | .44 |
| Wyoming | .03 | .05 | .09 | .07 | .09 | .08 | .07 | .07 | .06 | .06 | .06 | .06 | .06 | .06 | .06 |
| Colorado | .10 | .13 | .27 | .28 | .28 | .22 | .19 | .20 | .19 | .19 | .19 | .19 | .19 | .19 | .19 |
| New Mexico | .02 | .03 | .05 | .06 | .07 | .06 | .06 | .04 | .05 | .04 | .05 | .04 | .05 | .04 | .04 |
| Arizona | .06 | .09 | .18 | .19 | .20 | .16 | .13 | .13 | .13 | .11 | .07 | .08 | .08 | .07 | .07 |
| Utah | .13 | .20 | .47 | .46 | .52 | .47 | .40 | .39 | .38 | .31 | .32 | .32 | .31 | .31 | .30 |
| Nevada | .06 | .11 | .21 | .22 | .15 | .15 | .16 | .15 | .17 | .16 | .17 | .17 | .16 | .15 | .15 |
| Mountain | .07 | .10 | .20 | .18 | .19 | .16 | .15 | .14 | .13 | .13 | .13 | .12 | .13 | .12 | .12 |
| Washington | .25 | .32 | .67 | .61 | .71 | .60 | .53 | .50 | .41 | .37 | .41 | .31 | .32 | .32 | .30 |
| Oregon | .13 | .17 | .37 | .37 | .40 | .33 | .33 | .32 | .32 | .32 | .32 | .33 | .33 | .33 | .25 |
| California | .32 | .47 | .93 | 1.07 | 1.14 | .95 | .66 | .64 | .63 | .67 | .79 | .80 | .82 | .83 | .83 |
| Pacific | .26 | .36 | .73 | .78 | .84 | .70 | .54 | .52 | .49 | .50 | .57 | .55 | .57 | .57 | .54 |
| UNITED STATES | .19 | .26 | .51 | .56 | .57 | .46 | .39 | .37 | .37 | .38 | .39 | .38 | .39 | .38 | .38 |

1/ Includes some revised figures for 1930-39.
2/ Not available.

Table 20.- Tax levies on farm real estate: Index numbers of amount per acre, by States, 1910, 1915, 1920, 1925, 1930, and 1932-41 1/
(1909-13 = 100)

| State and division | 1910 | 1915 | 1920 | 1925 | 1930 | 1932 | 1933 | 1934 | 1935 | 1936 | 1937 | 1938 | 1939 | 1940 | 1941 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Maine | 97 | 116 | 194 | 219 | 288 | 267 | 240 | 265 | 265 | 274 | 284 | 289 | 294 | 298 | 298 |
| New Hampshire | 92 | 112 | 182 | 220 | 248 | 237 | 195 | 205 | 239 | 254 | 263 | 276 | 282 | 277 | 276 |
| Vermont | 95 | 121 | 219 | 247 | 281 | 254 | 225 | 207 | 217 | 232 | 240 | 247 | 255 | 258 | 261 |
| Massachusetts | 96 | 121 | 191 | 248 | 268 | 284 | 280 | 302 | 324 | 323 | 326 | 330 | 341 | 335 | 331 |
| Rhode Island | 98 | 119 | 178 | 227 | 298 | 301 | 283 | 293 | 298 | 297 | 299 | 311 | 357 | 369 | 372 |
| Connecticut | 96 | 126 | 223 | 282 | 337 | 338 | 337 | 344 | 371 | 368 | 365 | 372 | 388 | 383 | 388 |
| New England | 96 | 119 | 198 | 242 | 277 | 275 | 259 | 273 | 292 | 296 | 300 | 306 | 314 | 311 | 311 |
| New York | 93 | 127 | 211 | 252 | 252 | 236 | 216 | 219 | 230 | 240 | 253 | 259 | 269 | 264 | 265 |
| New Jersey | 2/ | 112 | 208 | 303 | 381 | 331 | 295 | 279 | 282 | 282 | 299 | 305 | 321 | 308 | 305 |
| Pennsylvania | 96 | 106 | 168 | 227 | 267 | 250 | 224 | 207 | 200 | 201 | 201 | 199 | 199 | 202 | 206 |
| Middle Atlantic | 94 | 116 | 191 | 244 | 268 | 249 | 225 | 218 | 220 | 225 | 232 | 235 | 241 | 240 | 241 |
| Ohio | 97 | 128 | 229 | 280 | 292 | 218 | 194 | 145 | 140 | 138 | 140 | 142 | 146 | 147 | 148 |
| Indiana | 92 | 126 | 241 | 269 | 282 | 197 | 123 | 122 | 132 | 137 | 131 | 132 | 146 | 144 | 148 |
| Illinois | 98 | 132 | 249 | 289 | 291 | 231 | 182 | 181 | 199 | 208 | 220 | 229 | 239 | 244 | 244 |
| Michigan | 86 | 146 | 284 | 292 | 310 | 198 | 135 | 125 | 106 | 100 | 99 | 104 | 105 | 107 | 107 |
| Wisconsin | 84 | 144 | 306 | 280 | 309 | 214 | 208 | 203 | 221 | 223 | 235 | 237 | 229 | 229 | 237 |
| East North Central | 90 | 134 | 257 | 281 | 293 | 212 | 168 | 154 | 160 | 162 | 166 | 170 | 175 | 177 | 179 |
| Minnesota | 88 | 152 | 329 | 337 | 375 | 288 | 289 | 252 | 261 | 274 | 276 | 283 | 291 | 283 | 286 |
| Iowa | 83 | 150 | 272 | 285 | 308 | 253 | 223 | 210 | 233 | 240 | 245 | 245 | 259 | 245 | 247 |
| Missouri | 97 | 116 | 207 | 311 | 328 | 266 | 232 | 232 | 231 | 234 | 232 | 231 | 237 | 230 | 231 |
| North Dakota | 93 | 139 | 309 | 265 | 265 | 191 | 175 | 168 | 161 | 157 | 162 | 161 | 159 | 156 | 139 |
| South Dakota | 91 | 133 | 352 | 349 | 349 | 250 | 154 | 176 | 183 | 177 | 199 | 196 | 181 | 172 | 166 |
| Nebraska | 92 | 121 | 261 | 266 | 277 | 221 | 180 | 173 | 184 | 183 | 199 | 203 | 197 | 189 | 190 |
| Kansas | 91 | 121 | 224 | 275 | 292 | 214 | 190 | 193 | 199 | 206 | 212 | 206 | 208 | 193 | 208 |
| West North Central | 89 | 134 | 269 | 290 | 304 | 235 | 205 | 198 | 207 | 210 | 217 | 217 | 220 | 210 | 212 |
| Delaware | 95 | 130 | 275 | 292 | 201 | 172 | 165 | 155 | 146 | 138 | 131 | 124 | 118 | 126 | 130 |
| Maryland | 107 | 111 | 191 | 233 | 245 | 226 | 175 | 160 | 175 | 183 | 188 | 193 | 206 | 211 | 212 |
| Virginia | 88 | 120 | 210 | 308 | 305 | 234 | 221 | 223 | 226 | 229 | 231 | 233 | 235 | 240 | 243 |
| West Virginia | 97 | 143 | 271 | 371 | 395 | 329 | 136 | 131 | 134 | 136 | 137 | 139 | 143 | 139 | 138 |
| North Carolina | 82 | 146 | 424 | 700 | 748 | 600 | 418 | 406 | 405 | 406 | 449 | 456 | 455 | 463 | 473 |
| South Carolina | 100 | 114 | 272 | 300 | 310 | 290 | 252 | 235 | 228 | 232 | 236 | 216 | 222 | 230 | 226 |
| Georgia | 94 | 137 | 254 | 263 | 272 | 236 | 212 | 200 | 206 | 201 | 221 | 142 | 128 | 129 | 135 |
| Florida | 84 | 211 | 424 | 875 | 652 | 547 | 536 | 533 | 411 | 392 | 382 | 420 | 435 | 476 | 448 |
| South Atlantic | 94 | 132 | 274 | 379 | 375 | 315 | 250 | 241 | 237 | 238 | 250 | 234 | 236 | 244 | 245 |
| Kentucky | 98 | 115 | 252 | 268 | 284 | 257 | 225 | 189 | 196 | 191 | 193 | 201 | 213 | 212 | 215 |
| Tennessee | 97 | 121 | 285 | 309 | 339 | 285 | 261 | 260 | 267 | 272 | 280 | 283 | 276 | 277 | 288 |
| Alabama | 93 | 121 | 212 | 236 | 286 | 259 | 242 | 239 | 239 | 245 | 232 | 230 | 229 | 230 | 235 |
| Mississippi | 93 | 117 | 361 | 426 | 469 | 385 | 409 | 380 | 386 | 416 | 423 | 292 | 287 | 307 | 305 |
| East South Central | 96 | 118 | 281 | 314 | 347 | 298 | 286 | 266 | 272 | 281 | 283 | 251 | 252 | 257 | 261 |
| Arkansas | 91 | 115 | 227 | 232 | 217 | 203 | 200 | 197 | 195 | 200 | 197 | 195 | 196 | 196 | 201 |
| Louisiana | 92 | 130 | 366 | 379 | 384 | 330 | 330 | 306 | 301 | 263 | 258 | 248 | 218 | 211 | 231 |
| Oklahoma | 74 | 122 | 204 | 221 | 248 | 181 | 133 | 122 | 122 | 125 | 121 | 129 | 129 | 127 | 128 |
| Texas | 83 | 161 | 274 | 352 | 409 | 298 | 285 | 276 | 251 | 255 | 239 | 236 | 247 | 237 | 235 |
| West South Central | 82 | 138 | 252 | 290 | 319 | 242 | 219 | 209 | 198 | 198 | 189 | 189 | 191 | 186 | 188 |
| Montana | 91 | 125 | 223 | 205 | 217 | 198 | 194 | 176 | 176 | 161 | 171 | 167 | 169 | 167 | 159 |
| Idaho | 72 | 128 | 267 | 248 | 273 | 229 | 212 | 204 | 190 | 177 | 195 | 171 | 197 | 192 | 187 |
| Wyoming | 104 | 145 | 277 | 217 | 275 | 245 | 213 | 209 | 172 | 168 | 172 | 180 | 176 | 172 | 173 |
| Colorado | 95 | 117 | 245 | 253 | 256 | 198 | 176 | 179 | 170 | 171 | 170 | 172 | 175 | 173 | 172 |
| New Mexico | 71 | 130 | 242 | 291 | 333 | 302 | 268 | 205 | 212 | 209 | 211 | 204 | 211 | 202 | 207 |
| Arizona | 89 | 145 | 293 | 298 | 315 | 259 | 210 | 214 | 200 | 168 | 105 | 122 | 135 | 115 | 113 |
| Utah | 89 | 130 | 311 | 304 | 346 | 311 | 265 | 256 | 250 | 202 | 212 | 209 | 208 | 203 | 202 |
| Nevada | 89 | 168 | 340 | 348 | 238 | 242 | 257 | 236 | 263 | 252 | 273 | 269 | 248 | 238 | 245 |
| Mountain | 88 | 123 | 244 | 226 | 237 | 201 | 183 | 173 | 165 | 154 | 155 | 151 | 157 | 152 | 149 |
| Washington | 90 | 114 | 240 | 216 | 252 | 212 | 187 | 177 | 147 | 130 | 144 | 110 | 113 | 115 | 107 |
| Oregon | 92 | 120 | 251 | 255 | 275 | 223 | 226 | 217 | 220 | 219 | 219 | 227 | 228 | 228 | 169 |
| California | 90 | 132 | 262 | 301 | 321 | 267 | 187 | 179 | 178 | 189 | 223 | 225 | 232 | 233 | 234 |
| Pacific | 90 | 126 | 253 | 269 | 290 | 241 | 186 | 178 | 171 | 171 | 196 | 191 | 195 | 196 | 186 |
| UNITED STATES | 91 | 128 | 244 | 270 | 277 | 220 | 188 | 178 | 180 | 181 | 186 | 183 | 186 | 183 | 183 |

1/ Index numbers computed before rounding tax-per-acre data. Includes some revised figures for 1930-39.
2/ Not available.

Table 21.- Tax levies on farm real estate: Amount per $100 of value, by States, 1910, 1915, 1920, 1925, 1930, and 1932-41 1/

| State and division | 1910 | 1915 | 1920 | 1925 | 1930 | 1932 | 1933 | 1934 | 1935 | 1936 | 1937 | 1938 | 1939 | 1940 | 1941 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. | Dol. |
| Maine | 1.06 | 1.29 | 1.54 | 1.57 | 1.97 | 2.44 | 2.22 | 2.47 | 2.48 | 2.55 | 2.67 | 2.82 | 2.82 | 2.87 | 2.81 |
| New Hampshire | 1.08 | 1.29 | 1.64 | 1.76 | 2.00 | 2.31 | 1.92 | 2.02 | 2.32 | 2.40 | 2.50 | 2.59 | 2.59 | 2.51 | 2.46 |
| Vermont | .82 | .88 | 1.17 | 1.42 | 1.59 | 1.74 | 1.59 | 1.50 | 1.55 | 1.62 | 1.71 | 1.73 | 1.75 | 1.75 | 1.78 |
| Massachusetts | 1.13 | 1.37 | 1.59 | 1.76 | 1.65 | 1.99 | 1.94 | 2.10 | 2.28 | 2.29 | 2.32 | 2.41 | 2.51 | 2.48 | 2.45 |
| Rhode Island | .70 | .82 | .99 | 1.06 | 1.09 | 1.22 | 1.14 | 1.16 | 1.18 | 1.15 | 1.17 | 1.22 | 1.36 | 1.40 | 1.36 |
| Connecticut | .70 | .85 | 1.08 | 1.15 | 1.07 | 1.19 | 1.20 | 1.22 | 1.30 | 1.28 | 1.30 | 1.33 | 1.38 | 1.33 | 1.30 |
| New England | .97 | 1.12 | 1.38 | 1.51 | 1.56 | 1.77 | 1.68 | 1.75 | 1.88 | 1.90 | 1.97 | 2.05 | 2.11 | 2.08 | 2.04 |
| New York | .70 | .96 | 1.33 | 1.46 | 1.53 | 1.72 | 1.59 | 1.61 | 1.68 | 1.74 | 1.84 | 1.92 | 2.01 | 1.97 | 1.94 |
| New Jersey | 2/ | .91 | 1.29 | 1.46 | 1.70 | 1.77 | 1.65 | 1.64 | 1.64 | 1.64 | 1.74 | 1.79 | 1.90 | 1.76 | 1.65 |
| Pennsylvania | .83 | .88 | 1.14 | 1.49 | 1.77 | 2.21 | 2.04 | 1.86 | 1.70 | 1.70 | 1.67 | 1.67 | 1.64 | 1.66 | 1.60 |
| Middle Atlantic | .77 | .92 | 1.25 | 1.48 | 1.65 | 1.92 | 1.77 | 1.72 | 1.69 | 1.71 | 1.75 | 1.80 | 1.85 | 1.82 | 1.75 |
| Ohio | .64 | .74 | 1.11 | 1.53 | 1.90 | 2.00 | 1.68 | 1.22 | 1.07 | 1.00 | 1.03 | 1.02 | 1.03 | .99 | .91 |
| Indiana | .62 | .75 | 1.08 | 1.73 | 2.29 | 2.23 | 1.61 | 1.26 | 1.24 | 1.20 | 1.12 | 1.12 | 1.20 | 1.15 | 1.03 |
| Illinois | .31 | .42 | .55 | .88 | 1.21 | 1.46 | 1.07 | 1.03 | 1.08 | 1.06 | 1.08 | 1.15 | 1.16 | 1.17 | 1.03 |
| Michigan | .76 | 1.14 | 1.62 | 1.81 | 2.09 | 1.94 | 1.29 | 1.21 | 1.00 | .86 | .85 | .89 | .89 | .89 | .79 |
| Wisconsin | .50 | .71 | 1.04 | 1.14 | 1.50 | 1.37 | 1.35 | 1.30 | 1.39 | 1.34 | 1.44 | 1.51 | 1.50 | 1.54 | 1.49 |
| East North Central | .50 | .65 | .91 | 1.29 | 1.67 | 1.72 | 1.35 | 1.17 | 1.16 | 1.11 | 1.11 | 1.15 | 1.16 | 1.16 | 1.05 |
| Minnesota | .42 | .55 | .70 | 1.00 | 1.45 | 1.65 | 1.58 | 1.40 | 1.41 | 1.44 | 1.42 | 1.50 | 1.54 | 1.48 | 1.43 |
| Iowa | .33 | .44 | .52 | .81 | 1.15 | 1.60 | 1.31 | 1.19 | 1.21 | 1.23 | 1.25 | 1.26 | 1.32 | 1.25 | 1.18 |
| Missouri | .25 | .28 | .34 | .75 | .98 | 1.16 | 1.01 | 1.02 | 1.00 | .98 | 1.00 | 1.03 | 1.00 | .98 | .90 |
| North Dakota | .44 | .61 | 1.11 | 1.30 | 1.72 | 1.56 | 1.38 | 1.33 | 1.27 | 1.25 | 1.39 | 1.58 | 1.78 | 1.70 | 1.46 |
| South Dakota | .30 | .38 | .66 | 1.05 | 1.42 | 1.59 | .98 | 1.18 | 1.24 | 1.22 | 1.50 | 1.76 | 1.80 | 1.74 | 1.60 |
| Nebraska | .31 | .37 | .52 | .70 | .85 | 1.04 | .85 | .84 | .87 | .91 | 1.07 | 1.16 | 1.29 | 1.34 | 1.25 |
| Kansas | .41 | .51 | .68 | 1.06 | 1.24 | 1.33 | 1.18 | 1.17 | 1.17 | 1.19 | 1.23 | 1.23 | 1.32 | 1.21 | 1.26 |
| West North Central | .35 | .44 | .60 | .90 | 1.20 | 1.42 | 1.20 | 1.14 | 1.16 | 1.18 | 1.23 | 1.29 | 1.37 | 1.31 | 1.24 |
| Delaware | .46 | .60 | 1.04 | 1.05 | .69 | .80 | .75 | .68 | .62 | .57 | .54 | .50 | .47 | .48 | .48 |
| Maryland | .82 | .77 | .99 | 1.12 | 1.19 | 1.49 | 1.18 | 1.08 | 1.13 | 1.12 | 1.10 | 1.13 | 1.20 | 1.17 | 1.10 |
| Virginia | .36 | .38 | .43 | .68 | .77 | .80 | .74 | .74 | .69 | .64 | .63 | .65 | .63 | .62 | .63 |
| West Virginia | .41 | .58 | .77 | 1.10 | 1.29 | 1.48 | .61 | .60 | .60 | .58 | .55 | .54 | .56 | .51 | .50 |
| North Carolina | .28 | .44 | .71 | 1.09 | 1.48 | 1.88 | 1.14 | 1.02 | .94 | .86 | .90 | .93 | .92 | .96 | .87 |
| South Carolina | .51 | .56 | .66 | .96 | 1.27 | 1.92 | 1.55 | 1.30 | 1.23 | 1.13 | 1.06 | .96 | .96 | .93 | .84 |
| Georgia | .55 | .72 | .79 | 1.09 | 1.28 | 1.79 | 1.45 | 1.30 | 1.33 | 1.15 | 1.24 | .81 | .69 | .65 | .66 |
| Florida | .38 | .85 | .86 | .88 | .88 | 1.06 | 1.04 | 1.09 | .88 | .86 | .91 | 1.09 | 1.21 | 1.31 | 1.17 |
| South Atlantic | .44 | .56 | .70 | .97 | 1.14 | 1.42 | 1.07 | 1.00 | .95 | .88 | .89 | .83 | .82 | .83 | .81 |
| Kentucky | .51 | .50 | .73 | .92 | 1.09 | 1.43 | 1.22 | .93 | .99 | .87 | .83 | .82 | .84 | .83 | .74 |
| Tennessee | .56 | .58 | .89 | 1.02 | 1.24 | 1.54 | 1.32 | 1.24 | 1.17 | 1.16 | 1.16 | 1.13 | 1.06 | 1.01 | .97 |
| Alabama | .56 | .73 | .82 | .81 | .98 | 1.38 | 1.18 | 1.12 | 1.07 | 1.10 | .98 | .94 | .94 | .91 | .92 |
| Mississippi | .70 | .72 | 1.69 | 1.99 | 2.19 | 2.93 | 3.01 | 2.76 | 2.70 | 2.67 | 2.41 | 1.64 | 1.57 | 1.61 | 1.46 |
| East South Central | .55 | .59 | .95 | 1.15 | 1.35 | 1.72 | 1.61 | 1.40 | 1.38 | 1.34 | 1.29 | 1.10 | 1.06 | 1.06 | 1.00 |
| Arkansas | .72 | .82 | .91 | 1.01 | 1.12 | 1.56 | 1.40 | 1.37 | 1.23 | 1.24 | 1.16 | 1.17 | 1.14 | 1.09 | .98 |
| Louisiana | .59 | .74 | 1.41 | 1.44 | 1.42 | 1.76 | 1.75 | 1.63 | 1.56 | 1.28 | 1.16 | 1.10 | .93 | .90 | .93 |
| Oklahoma | .54 | .84 | .92 | 1.22 | 1.41 | 1.60 | 1.12 | 1.04 | .98 | 1.03 | .95 | 1.00 | 1.00 | .98 | .93 |
| Texas | .29 | .46 | .55 | .70 | .90 | .99 | .88 | .86 | .74 | .78 | .72 | .70 | .74 | .75 | .65 |
| West South Central | .42 | .61 | .74 | .88 | 1.07 | 1.24 | 1.07 | 1.00 | .92 | .91 | .84 | .86 | .85 | .85 | .79 |
| Montana | .32 | .45 | .75 | .99 | 1.22 | 1.70 | 1.69 | 1.39 | 1.36 | 1.25 | 1.43 | 1.45 | 1.46 | 1.42 | 1.19 |
| Idaho | .37 | .70 | .98 | 1.30 | 1.45 | 1.84 | 1.68 | 1.55 | 1.41 | 1.27 | 1.40 | 1.23 | 1.40 | 1.36 | 1.23 |
| Wyoming | .26 | .46 | .55 | .80 | 1.04 | 1.41 | 1.21 | 1.18 | 1.01 | 1.01 | 1.03 | 1.05 | 1.06 | 1.01 | .92 |
| Colorado | .34 | .46 | .81 | 1.19 | 1.32 | 1.56 | 1.36 | 1.43 | 1.36 | 1.36 | 1.42 | 1.48 | 1.54 | 1.50 | 1.37 |
| New Mexico | .21 | .40 | .64 | .96 | 1.04 | 1.27 | 1.23 | .81 | .99 | .80 | 1.01 | .82 | 1.04 | .80 | .74 |
| Arizona | .16 | .34 | .71 | 1.32 | 1.21 | 1.43 | 1.26 | 1.37 | 1.46 | 1.32 | .94 | 1.20 | 1.34 | 1.15 | 1.09 |
| Utah | .38 | .61 | 1.19 | 1.19 | 1.36 | 1.83 | 1.55 | 1.54 | 1.52 | 1.26 | 1.36 | 1.44 | 1.47 | 1.46 | 1.36 |
| Nevada | .38 | .58 | .84 | 1.37 | .96 | 1.38 | 1.41 | 1.28 | 1.38 | 1.28 | 1.37 | 1.36 | 1.27 | 1.18 | 1.13 |
| Mountain | .32 | .50 | .84 | 1.12 | 1.25 | 1.58 | 1.48 | 1.37 | 1.26 | 1.27 | 1.32 | 1.26 | 1.40 | 1.26 | 1.17 |
| Washington | .50 | .62 | 1.01 | 1.06 | 1.28 | 1.60 | 1.45 | 1.33 | 1.06 | .92 | 1.03 | .79 | .82 | .82 | .71 |
| Oregon | .33 | .42 | .73 | .89 | 1.07 | 1.30 | 1.31 | 1.24 | 1.22 | 1.17 | 1.18 | 1.25 | 1.24 | 1.23 | .87 |
| California | .57 | .64 | .86 | .94 | 1.04 | 1.27 | .89 | .84 | .82 | .86 | 1.04 | 1.10 | 1.16 | 1.16 | 1.10 |
| Pacific | .51 | .59 | .87 | .95 | 1.08 | 1.33 | 1.04 | .98 | .91 | .91 | 1.06 | 1.06 | 1.12 | 1.11 | .99 |
| UNITED STATES | .47 | .57 | .79 | 1.07 | 1.30 | 1.54 | 1.28 | 1.19 | 1.15 | 1.16 | 1.19 | 1.19 | 1.23 | 1.18 | 1.10 |

1/ Derived from the tax-per-acre figures in table 19 and value-per-acre figures based on census reports and the farm real estate value indexes of the Bureau of Agricultural Economics. Includes some revised figures for 1930-40

2/ Not available.

Table 22.- Farmers' mutual fire insurance, United States, 1914-39 1/

| Year | Companies 2/ | Amount of insurance in force at end of year | Cost per $100 of insurance | | | Surplus and reserves at end of year 3/ |
|---|---|---|---|---|---|---|
| | | | Losses | Expenses | Total | |
| | Number | 1,000 dollars | Cents | Cents | Cents | 1,000 dollars |
| 1914 | 1,947 | 5,264,119 | 20.4 | 6.0 | 26.4 | - |
| 1915 | 1,879 | 5,366,760 | 17.5 | 6.0 | 23.5 | - |
| 1916 | 1,883 | 5,635,968 | 19.6 | 5.9 | 25.5 | - |
| 1917 | 1,829 | 5,876,853 | 18.2 | 6.4 | 24.6 | - |
| 1918 | 1,866 | 6,391,522 | 18.8 | 6.3 | 25.1 | - |
| 1919 | 1,922 | 6,937,523 | 17.3 | 7.8 | 25.1 | - |
| 1920 | 1,944 | 7,865,988 | 17.4 | 8.4 | 25.8 | - |
| 1921 | 1,951 | 8,409,683 | 19.4 | 7.8 | 27.2 | - |
| 1922 | 1,918 | 8,769,948 | 20.9 | 5.8 | 26.7 | - |
| 1923 | 1,907 | 9,057,938 | 19.8 | 6.6 | 26.4 | - |
| 1924 | 1,929 | 9,487,029 | 20.4 | 6.5 | 26.9 | - |
| 1925 | 1,839 | 9,477,139 | 21.1 | 6.7 | 27.8 | - |
| 1926 | 1,911 | 9,988,580 | 19.4 | 6.9 | 26.3 | - |
| 1927 | 1,889 | 10,345,463 | 19.0 | 6.3 | 25.3 | - |
| 1928 | 1,884 | 10,781,212 | 20.5 | 6.6 | 27.1 | - |
| 1929 | 1,876 | 11,118,510 | 21.8 | 6.6 | 28.4 | - |
| 1930 | 1,886 | 11,382,104 | 24.8 | 6.8 | 31.6 | - |
| 1931 | 1,863 | 11,292,339 | 24.1 | 6.9 | 31.0 | - |
| 1932 | 1,847 | 10,974,082 | 24.9 | 7.1 | 32.0 | - |
| 1933 | 1,826 | 10,466,384 | 21.2 | 7.3 | 28.5 | - |
| 1934 | 1,852 | 10,571,508 | 19.7 | 7.2 | 26.9 | - |
| 1935 | 1,941 | 11,083,300 | 15.7 | 7.5 | 23.2 | 33,656 |
| 1936 | 1,936 | 11,339,510 | 20.7 | 7.4 | 28.0 | 35,083 |
| 1937 | 1,924 | 11,569,476 | 16.5 | 7.6 | 24.1 | 37,479 |
| 1938 | 1,914 | 11,868,569 | 18.0 | 8.0 | 26.0 | 40,105 |
| 1939 | 1,904 | 12,143,881 | 18.4 | 8.2 | 26.6 | 41,819 |

1/ Data for 1914-33 include companies with more than 65 percent of their insurance on farm property. Data for later years include companies with more than 50 percent of their insurance on farm property.
2/ Number of companies for which data could be obtained. Variations from year to year may not represent real variations in the number of companies operating.
3/ Excess of assets over liabilities. Farm mutuals, as assessment companies, not required to set up unearned premium reserves. Data not compiled prior to 1935.

Data for 1934-39 from Farm Credit Administration. All data compiled from published State reports, supplemented by information from State insurance officials, officers of farmers' mutuals, and others.

Table 23.- Farmers' mutual fire insurance, by States, 1939

| State and division | Companies | Amount of insurance in force at end of year | Cost per $100 of insurance | | | Surplus and reserves at end of year 1/ |
|---|---|---|---|---|---|---|
| | | | Losses | Expenses | Total | |
| | Number | 1,000 dollars | Cents | Cents | Cents | 1,000 dollars |
| Maine | 39 | 70,726 | 44.1 | 20.2 | 64.3 | 160 |
| New Hampshire | 15 | 25,199 | 33.0 | 25.8 | 58.8 | 130 |
| Vermont | 4 | 83,373 | 52.6 | 7.5 | 60.1 | 78 |
| Massachusetts 2/ | 0 | - | - | - | - | - |
| Rhode Island | 2 | 3,992 | 12.4 | 12.3 | 24.7 | 112 |
| Connecticut | 5 | 78,208 | 11.6 | 14.2 | 25.8 | 2,985 |
| New England | 65 | 261,498 | 35.5 | 14.8 | 50.3 | 3,465 |
| New York | 130 | 608,352 | 30.0 | 8.3 | 38.3 | 820 |
| New Jersey | 13 | 148,678 | 19.0 | 17.3 | 36.3 | 1,666 |
| Pennsylvania | 166 | 1,256,173 | 16.1 | 9.8 | 25.9 | 5,078 |
| Middle Atlantic | 309 | 2,013,203 | 20.5 | 9.9 | 30.4 | 7,564 |
| Ohio | 101 | 923,421 | 18.6 | 4.2 | 22.8 | 1,095 |
| Indiana | 65 | 649,576 | 19.3 | 6.6 | 25.9 | 1,749 |
| Illinois | 209 | 749,600 | 16.5 | 5.2 | 21.7 | 1,115 |
| Michigan | 63 | 712,805 | 24.0 | 10.0 | 34.0 | 2,035 |
| Wisconsin | 194 | 1,210,277 | 16.6 | 4.3 | 20.9 | 1,401 |
| East North Central | 632 | 4,245,679 | 18.7 | 5.7 | 24.4 | 7,395 |
| Minnesota | 158 | 985,500 | 13.0 | 7.0 | 20.0 | 1,859 |
| Iowa | 149 | 1,214,199 | 15.0 | 6.0 | 21.0 | 2,553 |
| Missouri | 150 | 328,625 | 32.0 | 7.2 | 39.2 | 834 |
| North Dakota | 33 | 107,418 | 13.4 | 7.2 | 20.6 | 389 |
| South Dakota | 42 | 232,666 | 11.1 | 5.1 | 16.2 | 734 |
| Nebraska | 49 | 734,782 | 7.6 | 5.8 | 13.4 | 1,772 |
| Kansas | 18 | 683,953 | 16.7 | 13.9 | 30.6 | 3,755 |
| West North Central | 599 | 4,287,143 | 14.6 | 7.5 | 22.1 | 11,896 |
| Delaware | 4 | 21,178 | 14.0 | 17.1 | 31.1 | 453 |
| Maryland | 16 | 306,169 | 24.1 | 18.2 | 42.3 | 2,829 |
| Virginia | 42 | 149,119 | 20.6 | 12.4 | 33.0 | 1,372 |
| West Virginia | 14 | 62,777 | 15.4 | 15.9 | 31.3 | 544 |
| North Carolina | 30 | 47,471 | 27.9 | 9.7 | 37.6 | 376 |
| South Carolina | 9 | 8,098 | 37.6 | 22.7 | 60.3 | 158 |
| Georgia | 18 | 21,064 | 44.8 | 15.6 | 60.4 | 247 |
| Florida 2/ | 0 | - | - | - | - | - |
| South Atlantic | 133 | 615,876 | 23.2 | 15.8 | 39.0 | 5,979 |
| Kentucky | 17 | 70,061 | 33.6 | 15.6 | 49.2 | 898 |
| Tennessee | 28 | 40,526 | 31.0 | 14.9 | 45.9 | 88 |
| Alabama | 3 | 1,735 | 19.5 | 14.0 | 33.5 | 24 |
| Mississippi 2/ | 0 | - | - | - | - | - |
| East South Central | 48 | 112,322 | 32.5 | 15.3 | 47.8 | 1,010 |
| Arkansas | 14 | 18,412 | 44.4 | 25.3 | 69.7 | 125 |
| Louisiana 2/ | 0 | - | - | - | - | - |
| Oklahoma | 6 | 36,600 | 48.0 | 10.3 | 58.3 | 289 |
| Texas | 37 | 109,088 | 29.2 | 6.8 | 36.0 | 673 |
| West South Central | 57 | 164,100 | 35.0 | 9.6 | 44.6 | 1,087 |
| Montana | 13 | 17,020 | 26.1 | 10.7 | 36.8 | 74 |
| Idaho | 9 | 52,783 | 24.0 | 13.4 | 37.4 | 139 |
| Wyoming | 3 | 2,292 | 12.7 | 17.7 | 30.4 | 19 |
| Colorado | 5 | 40,715 | 13.1 | 11.6 | 24.7 | 155 |
| New Mexico 2/ | 0 | - | - | - | - | - |
| Arizona 2/ | 0 | - | - | - | - | - |
| Utah | 1 | 16,004 | 10.5 | 6.2 | 16.7 | 223 |
| Nevada 2/ | 0 | - | - | - | - | - |
| Mountain | 31 | 128,814 | 18.9 | 11.7 | 30.6 | 610 |
| Washington | 5 | 61,855 | 23.7 | 10.8 | 34.5 | 614 |
| Oregon | 5 | 31,996 | 29.0 | 14.1 | 43.1 | 257 |
| California | 20 | 221,395 | 11.6 | 14.8 | 26.4 | 1,942 |
| Pacific | 30 | 315,246 | 15.6 | 14.0 | 29.6 | 2,813 |
| UNITED STATES | 1,904 | 12,143,881 | 18.4 | 8.2 | 26.6 | 41,819 |

1/ Excess of assets over liabilities. Farm mutuals, as assessment companies, not required to set up unearned premium reserves.
2/ No mutual insurance companies with more than 50 percent of their insurance on farm property.

Farm Credit Administration. Compiled from published State reports, supplemented by data supplied by State insurance officials, officers of farmers' mutuals, and others.

Table 24.- Wheat crop insurance, by States, crops of 1941, 1942, and 1943 1/

| Wheat area and State 2/ | Crop harvested in 1941: Number of contracts | Crop harvested in 1941: Amount of premiums 3/ | Crop harvested in 1941: Indemnities: Number | Crop harvested in 1941: Indemnities: Amount 3/ | Crop harvested in 1942: Number of contracts 4/: Written | Crop harvested in 1942: Number of contracts 4/: In force | Crop harvested in 1942: Interests insured by contracts in force 5/ | Crop harvested in 1942: Amount of premiums 3/ | Crop harvested in 1942: Amount of indemnities 3/ | Crop for harvest in 1943: Number of contracts written 6/ |
|---|---|---|---|---|---|---|---|---|---|---|
| | Number | Bushels | Number | Bushels | Number | Number | Number | Bushels | Bushels | Number |
| Soft red winter: | | | | | | | | | | |
| New York ..... | 965 | 7,084 | 159 | 9,243 | 1,930 | 1,783 | 1,883 | 12,861 | 5,594 | 2,108 |
| New Jersey ... | 155 | 959 | 23 | 1,299 | 285 | 265 | 267 | 1,423 | 640 | 206 |
| Pennsylvania . | 7,173 | 44,513 | 1,162 | 57,843 | 7,094 | 6,713 | 7,058 | 42,648 | 56,478 | 8,606 |
| Ohio ......... | 31,256 | 289,715 | 3,221 | 110,628 | 38,985 | 35,232 | 39,702 | 328,132 | 333,962 | 42,179 |
| Indiana ...... | 30,540 | 301,513 | 1,090 | 35,771 | 32,313 | 27,629 | 32,022 | 287,142 | 1,287,946 | 41,348 |
| Illinois ..... | 32,897 | 417,577 | 5,549 | 443,141 | 35,223 | 24,578 | 29,601 | 308,691 | 1,856,828 | 48,110 |
| Michigan ..... | 13,190 | 83,087 | 2,116 | 83,543 | 32,783 | 26,613 | 28,210 | 173,746 | 192,387 | 33,488 |
| Missouri ..... | 20,883 | 267,819 | 13,549 | 1,639,770 | 34,818 | 20,279 | 24,034 | 264,000 | 1,224,931 | 39,635 |
| Delaware ..... | 584 | 5,262 | 69 | 4,330 | 724 | 650 | 730 | 6,069 | 2,086 | 373 |
| Maryland ..... | 1,690 | 18,262 | 152 | 9,758 | 2,241 | 2,190 | 2,310 | 23,539 | 15,924 | 1,771 |
| Virginia ..... | 2,481 | 20,536 | 468 | 20,440 | 2,582 | 2,380 | 2,546 | 20,401 | 5,000 | 1,637 |
| West Virginia | 88 | 892 | 15 | 897 | 530 | 497 | 516 | 3,817 | 5,754 | 889 |
| North Carolina | 447 | 2,543 | 39 | 1,320 | 1,809 | 1,550 | 1,745 | 6,825 | 3,688 | 3,422 |
| Kentucky ..... | 605 | 8,939 | 29 | 999 | 889 | 742 | 803 | 10,288 | 11,637 | 2,810 |
| Tennessee .... | 188 | 1,618 | 18 | 473 | 1,810 | 1,584 | 1,670 | 7,925 | 3,831 | 1,503 |
| Arkansas ..... | 38 | 352 | 17 | 1,445 | 39 | 33 | 39 | 314 | 1,952 | 41 |
| Area total .. | 143,180 | 1,470,671 | 27,676 | 2,420,900 | 194,055 | 152,718 | 173,136 | 1,497,821 | 5,008,638 | 228,126 |
| Hard red winter: | | | | | | | | | | |
| Iowa ......... | 6,094 | 88,218 | 5,144 | 689,226 | 8,698 | 6,054 | 6,691 | 108,500 | 86,487 | 6,183 |
| Nebraska ..... | 57,272 | 2,368,893 | 44,363 | 7,080,521 | 54,028 | 49,485 | 66,945 | 2,031,164 | 419,886 | 33,079 |
| Kansas ....... | 53,991 | 3,073,994 | 20,867 | 2,795,470 | 41,962 | 31,854 | 42,165 | 1,274,475 | 1,892,246 | 33,696 |
| Oklahoma ..... | 22,852 | 751,323 | 10,153 | 1,235,862 | 21,369 | 17,913 | 23,263 | 653,925 | 951,568 | 15,902 |
| Texas ........ | 9,377 | 958,692 | 5,583 | 1,789,624 | 9,331 | 6,906 | 9,782 | 559,735 | 1,054,797 | 10,809 |
| Wyoming ...... | 1,293 | 126,680 | 108 | 17,264 | 572 | 520 | 739 | 55,436 | 15,134 | 7/ |
| Colorado ..... | 4,975 | 353,307 | 759 | 103,427 | 3,571 | 2,915 | 4,135 | 179,099 | 110,108 | 2,403 |
| New Mexico ... | 232 | 31,929 | 94 | 55,632 | 352 | 301 | 423 | 37,429 | 7,727 | 315 |
| Utah ......... | 2,985 | 60,952 | 366 | 24,322 | 5,034 | 4,098 | 4,478 | 73,025 | 69,161 | 2,686 |
| Area total .. | 159,071 | 7,813,988 | 87,437 | 13,791,348 | 144,917 | 120,046 | 158,621 | 4,972,788 | 4,607,114 | 105,073 |
| Hard red spring and durum: | | | | | | | | | | |
| Wisconsin .... | 640 | 3,817 | 339 | 11,615 | 2,851 | 2,190 | 2,303 | 14,040 | 4,808 | 1,934 |
| Minnesota .... | 13,584 | 226,256 | 5,688 | 404,639 | 18,059 | 14,681 | 17,938 | 294,411 | 95,182 | 5,961 |
| North Dakota . | 18,938 | 1,046,824 | 966 | 192,789 | 9,351 | 8,972 | 13,772 | 497,138 | [illegible] | 150 |
| South Dakota . | 12,585 | 846,831 | 3,847 | 537,149 | 5,808 | 5,652 | 9,683 | 459,246 | 141,800 | 1,198 |
| Montana ...... | 3,009 | 415,648 | 286 | 59,102 | 1,595 | 1,474 | 2,795 | 285,400 | 49,860 | 893 |
| Area total .. | 48,756 | 2,539,376 | 11,126 | 1,205,294 | 37,664 | 32,969 | 46,491 | 1,550,235 | 330,446 | 10,136 |
| White: | | | | | | | | | | |
| Idaho ........ | 9,430 | 204,770 | 1,328 | 379,579 | 7,500 | 6,513 | 7,815 | 168,348 | 113,352 | 2,026 |
| Arizona ...... | 140 | 2,450 | 93 | 29,559 | 183 | 162 | 185 | 4,222 | 3,868 | 8 |
| Nevada ....... | 102 | 1,913 | 20 | 1,607 | 94 | 85 | 93 | 1,554 | 1,051 | 14 |
| Washington ... | 3,878 | 230,632 | 460 | 117,259 | 3,355 | 2,994 | 4,605 | 244,251 | 44,622 | 2,229 |
| Oregon ....... | 4,657 | 216,240 | 1,302 | 155,775 | 3,809 | 3,140 | 4,007 | 160,850 | 77,324 | 2,415 |
| California ... | 2,210 | 163,758 | 1,299 | 732,752 | 2,354 | 1,968 | 2,657 | 240,883 | 467,947 | 119 |
| Area total .. | 20,417 | 819,763 | 4,508 | 1,416,531 | 17,295 | 14,862 | 19,362 | 820,108 | 708,164 | 6,811 |
| UNITED STATES .. | 371,424 | 12,643,798 | 130,747 | 18,834,073 | 393,931 | 320,595 | 397,610 | 8,840,952 | 10,654,362 | 350,146 |

1/ Interim report as of November 1, 1942, subject to revision.
2/ Based on principal class of wheat grown.
3/ Premiums and indemnities are determined in bushels of wheat, although transactions are usually made in the cash equivalent.
4/ Difference between "contracts written" and "contracts in force" represents principally cases in which no wheat was seeded.
5/ Comparable to "number of contracts" in previous year.
6/ Preliminary. Contracts still being written for spring wheat.
7/ No report.

Federal Crop Insurance Corporation.

Table 25.- Farm real estate: Index numbers of estimated value per acre, by States, 1912, 1915, 1920, 1925, 1930, 1933, 1935, 1938-42 1/
(1912-14 = 100)

| State and division | 1912 | 1915 | 1920 | 1925 | 1930 | 1933 | 1935 | 1938 | 1939 | 1940 | 1941 | 1942 2/ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Maine | 100 | 96 | 142 | 124 | 124 | 94 | 94 | 96 | 94 | 95 | 95 | 97 |
| New Hampshire | 97 | 101 | 129 | 111 | 111 | 92 | 90 | 93 | 93 | 94 | 95 | 97 |
| Vermont | 101 | 104 | 150 | 125 | 123 | 101 | 101 | 100 | 100 | 101 | 101 | 102 |
| Massachusetts | 98 | 98 | 140 | 132 | 131 | 112 | 111 | 113 | 113 | 113 | 113 | 114 |
| Rhode Island | 100 | 102 | 130 | 128 | 134 | 118 | 118 | 119 | 118 | 120 | 121 | 126 |
| Connecticut | 98 | 100 | 137 | 137 | 140 | 124 | 123 | 124 | 124 | 124 | 128 | 133 |
| New England | 99 | 99 | 140 | 127 | 127 | 105 | 104 | 106 | 105 | 106 | 107 | 109 |
| New York | 98 | 100 | 133 | 111 | 103 | 82 | 84 | 87 | 86 | 86 | 86 | 87 |
| New Jersey | 98 | 100 | 130 | 124 | 125 | 110 | 111 | 116 | 116 | 116 | 121 | 128 |
| Pennsylvania | 98 | 100 | 140 | 114 | 107 | 78 | 82 | 89 | 88 | 90 | 90 | 95 |
| Middle Atlantic | 98 | 100 | 136 | 114 | 106 | 82 | 85 | 90 | 89 | 90 | 91 | 94 |
| Ohio | 98 | 107 | 159 | 110 | 90 | 59 | 66 | 74 | 76 | 77 | 80 | 89 |
| Indiana | 97 | 102 | 161 | 102 | 80 | 53 | 61 | 73 | 73 | 74 | 77 | 88 |
| Illinois | 97 | 102 | 160 | 115 | 91 | 54 | 61 | 73 | 72 | 75 | 76 | 86 |
| Michigan | 98 | 105 | 154 | 133 | 121 | 80 | 83 | 92 | 92 | 91 | 93 | 105 |
| Wisconsin | 97 | 104 | 171 | 130 | 117 | 80 | 82 | 88 | 86 | 84 | 82 | 88 |
| East North Central | 97 | 104 | 161 | 116 | 96 | 62 | 68 | 78 | 77 | 78 | 80 | 89 |
| Minnesota | 95 | 107 | 213 | 159 | 133 | 79 | 83 | 88 | 86 | 86 | 86 | 90 |
| Iowa | 96 | 112 | 213 | 136 | 113 | 58 | 67 | 74 | 74 | 74 | 75 | 80 |
| Missouri | 97 | 102 | 167 | 112 | 92 | 55 | 58 | 60 | 58 | 59 | 60 | 66 |
| North Dakota | 97 | 103 | 145 | 109 | 95 | 66 | 67 | 64 | 3/ 57 | 3/ 52 | 3/ 52 | 55 |
| South Dakota | 96 | 101 | 181 | 115 | 93 | 55 | 54 | 51 | 3/ 44 | 3/ 41 | 3/ 40 | 42 |
| Nebraska | 98 | 101 | 179 | 123 | 113 | 69 | 72 | 69 | 3/ 65 | 3/ 58 | 3/ 55 | 59 |
| Kansas | 101 | 103 | 151 | 115 | 113 | 70 | 73 | 78 | 3/ 76 | 3/ 71 | 3/ 71 | 74 |
| West North Central | 97 | 105 | 184 | 126 | 109 | 64 | 68 | 70 | 3/ 67 | 3/ 65 | 3/ 65 | 69 |
| Delaware | 100 | 100 | 139 | 112 | 111 | 80 | 82 | 89 | 89 | 89 | 93 | 96 |
| Maryland | 97 | 104 | 166 | 131 | 123 | 90 | 91 | 101 | 100 | 100 | 105 | 111 |
| Virginia | 97 | 97 | 189 | 154 | 134 | 88 | 97 | 111 | 110 | 112 | 115 | 118 |
| West Virginia | 97 | 101 | 154 | 120 | 105 | 74 | 78 | 84 | 85 | 85 | 89 | 90 |
| North Carolina | 97 | 102 | 223 | 187 | 158 | 86 | 111 | 138 | 138 | 138 | 136 | 150 |
| South Carolina | 101 | 94 | 230 | 138 | 104 | 57 | 76 | 87 | 88 | 89 | 95 | 103 |
| Georgia | 98 | 94 | 217 | 116 | 100 | 57 | 72 | 79 | 80 | 82 | 87 | 93 |
| Florida | 96 | 97 | 178 | 172 | 172 | 121 | 126 | 132 | 131 | 133 | 134 | 140 |
| South Atlantic | 98 | 98 | 198 | 148 | 128 | 80 | 93 | 106 | 106 | 107 | 110 | 117 |
| Kentucky | 97 | 100 | 200 | 140 | 127 | 80 | 87 | 103 | 107 | 113 | 114 | 129 |
| Tennessee | 96 | 100 | 200 | 137 | 123 | 79 | 91 | 102 | 104 | 108 | 113 | 123 |
| Alabama | 98 | 98 | 177 | 154 | 143 | 88 | 110 | 123 | 122 | 122 | 125 | 129 |
| Mississippi | 97 | 97 | 218 | 136 | 122 | 73 | 90 | 106 | 106 | 106 | 111 | 122 |
| East South Central | 97 | 99 | 199 | 141 | 128 | 79 | 93 | 107 | 109 | 112 | 115 | 126 |
| Arkansas | 98 | 95 | 222 | 160 | 141 | 80 | 88 | 97 | 95 | 95 | 100 | 111 |
| Louisiana | 99 | 95 | 198 | 141 | 132 | 89 | 103 | 117 | 117 | 121 | 121 | 129 |
| Oklahoma | 98 | 95 | 166 | 131 | 127 | 76 | 86 | 94 | 93 | 93 | 96 | 101 |
| Texas | 95 | 103 | 174 | 146 | 138 | 83 | 91 | 99 | 97 | 99 | 98 | 105 |
| West South Central | 96 | 100 | 177 | 144 | 136 | 82 | 91 | 99 | 97 | 99 | 99 | 105 |
| Montana | 97 | 100 | 126 | 75 | 72 | 48 | 50 | 53 | 54 | 55 | 57 | 62 |
| Idaho | 100 | 96 | 172 | 123 | 116 | 76 | 80 | 85 | 85 | 86 | 87 | 94 |
| Wyoming | 97 | 103 | 176 | 100 | 98 | 62 | 62 | 66 | 66 | 68 | 71 | 78 |
| Colorado | 98 | 93 | 141 | 92 | 83 | 54 | 53 | 60 | 61 | 61 | 63 | 69 |
| New Mexico | 100 | 100 | 144 | 108 | 110 | 75 | 76 | 83 | 83 | 84 | 87 | 95 |
| Arizona | 95 | 97 | 165 | 121 | 123 | 90 | 91 | 95 | 94 | 95 | 96 | 102 |
| Utah | 100 | 98 | 167 | 130 | 126 | 83 | 84 | 89 | 89 | 89 | 89 | 93 |
| Nevada | 96 | 102 | 135 | 102 | 99 | 65 | 65 | 69 | 69 | 70 | 71 | 73 |
| Mountain | 98 | 98 | 151 | 105 | 102 | 69 | 70 | 75 | 75 | 76 | 78 | 84 |
| Washington | 98 | 100 | 140 | 113 | 110 | 74 | 76 | 84 | 83 | 84 | 84 | 91 |
| Oregon | 97 | 99 | 130 | 110 | 107 | 72 | 74 | 82 | 82 | 84 | 85 | 91 |
| California | 93 | 111 | 167 | 164 | 160 | 109 | 115 | 123 | 121 | 121 | 122 | 128 |
| Pacific | 94 | 107 | 156 | 146 | 142 | 96 | 101 | 109 | 107 | 108 | 109 | 115 |
| UNITED STATES | 97 | 103 | 170 | 127 | 115 | 73 | 79 | 85 | 84 | 3/ 84 | 3/ 85 | 91 |

1/ All farm lands including improvements, as of March 1.
2/ Preliminary.
3/ Revised.

Table 26.- Farm real estate: Land transfers and values, United States, 1926-42

| Year | Estimated number of farms changing ownership per 1,000 farms 1/ | | | | Index of estimated value per acre 3/ (1912-14 = 100) |
|---|---|---|---|---|---|
| | Voluntary sales and trades | Forced sales and related defaults | Others 2/ | Total | |
| | Number | Number | Number | Number | Percent |
| 1926 | 29.6 | 21.6 | 10.2 | 61.4 | 124 |
| 1927 | 28.3 | 23.3 | 16.9 | 68.5 | 119 |
| 1928 | 26.3 | 22.8 | 16.9 | 66.0 | 117 |
| 1929 | 23.5 | 19.5 | 15.0 | 58.0 | 116 |
| 1930 | 23.7 | 20.8 | 17.0 | 61.5 | 115 |
| 1931 | 19.0 | 26.1 | 16.8 | 61.9 | 106 |
| 1932 | 16.2 | 41.7 | 18.8 | 76.7 | 89 |
| 1933 | 16.8 | 54.1 | 22.7 | 93.6 | 4/ 73 |
| 1934 | 17.8 | 39.1 | 21.7 | 78.6 | 76 |
| 1935 | 19.4 | 28.3 | 21.4 | 69.1 | 79 |
| 1936 | 24.8 | 26.2 | 21.9 | 72.9 | 82 |
| 1937 | 31.5 | 22.4 | 20.1 | 74.0 | 85 |
| 1938 | 30.5 | 17.4 | 17.5 | 65.4 | 85 |
| 1939 | 4/ 29.7 | 17.0 | 17.1 | 4/ 63.8 | 84 |
| 1940 | 4/ 30.2 | 4/ 15.9 | 16.9 | 4/ 63.0 | 4/ 84 |
| 1941 | 34.1 | 13.9 | 15.7 | 63.7 | 4/ 85 |
| 1942 | 41.7 | 9.3 | 15.1 | 66.1 | 91 |

1/ Year ending March 15.
2/ Largely inheritance, gift, and sales in settlement of estates; also includes a small number of miscellaneous and unclassified transfers.
3/ As of March 1.
4/ Revised.

Table 27.- Real estate, sheriffs' certificates, judgments, etc., acquired and held by the Federal land banks and the Federal Farm Mortgage Corporation, 1925-41 1/

| Year | Acquired during year 2/ | | | | Held as of December 31 | | | |
|---|---|---|---|---|---|---|---|---|
| | Federal land banks | | Federal Farm Mortgage Corporation | | Federal land banks | | Federal Farm Mortgage Corporation | |
| | Number | Investment | Number | Investment 3/ | Number | Investment | Number | Investment 3/ |
| | Number | 1,000 dollars | Number | 1,000 dollars | Number | 1,000 dollars | Number | 1,000 dollars |
| 1925 | 2,250 | 8,232 | | | 2,758 | 11,048 | | |
| 1926 | 2,285 | 9,621 | | | 4,023 | 16,596 | | |
| 1927 | 2,090 | 9,190 | | | 5,174 | 21,892 | | |
| 1928 | 2,652 | 14,598 | | | 6,010 | 26,478 | | |
| 1929 | 3,109 | 13,340 | | | 6,641 | 29,517 | | |
| 1930 | 4,318 | 17,177 | | | 8,516 | 36,865 | | |
| 1931 | 7,036 | 27,320 | | | 12,609 | 53,588 | | |
| 1932 | 10,102 | 43,045 | | | 18,449 | 83,158 | | |
| 1933 | 6,488 | 26,941 | | | 21,895 | 96,632 | | |
| 1934 | 4,766 | 16,067 | 2 | 5 | 22,918 | 96,655 | 2 | 11 |
| 1935 | 11,459 | 43,219 | 252 | 486 | 27,465 | 119,409 | 236 | 455 |
| 1936 | 12,510 | 49,730 | 2,624 | 5,809 | 28,954 | 128,893 | 2,379 | 5,861 |
| 1937 | 8,586 | 32,676 | 4,396 | 10,469 | 25,776 | 117,932 | 5,107 | 14,106 |
| 1938 | 7,186 | 29,233 | 6,576 | 17,267 | 23,974 | 115,345 | 8,245 | 23,884 |
| 1939 | 10,236 | 44,654 | 7,679 | 22,177 | 25,774 | 125,800 | 9,625 | 29,437 |
| 1940 | 5,242 | 23,029 | 3,790 | 12,626 | 21,337 | 109,066 | 7,503 | 25,113 |
| 1941 | 4,129 | 17,592 | 3,201 | 10,191 | 14,578 | 73,600 | 5,204 | 18,217 |

1/ Excluding Puerto Rico except for acquisitions by the Federal land banks during years 1931-34.
2/ Excluding reacquirements.
3/ Excluding prior liens.

Farm Credit Administration.

Table 26.- Federal land bank and Land Bank Commissioner loans: Number delinquent as a percentage of number outstanding, by States, as of Jan. 1, for selected years, 1930-42 1/

| State and division | Federal land banks | | | | Land Bank Commissioner | | |
|---|---|---|---|---|---|---|---|
| | 1930 | 1934 | 1938 | 1942 | 1934 | 1938 | 1942 |
| | Percent | Percent | Percent | Percent | Percent | Percent | Percent |
| Maine | 4.6 | 47.6 | 32.3 | 40.2 | 0.0 | 41.1 | 49.3 |
| New Hampshire | .6 | 14.8 | 7.9 | 5.8 | .0 | 11.3 | 17.2 |
| Vermont | 7.5 | 32.6 | 8.6 | 10.2 | .0 | 15.1 | 15.9 |
| Massachusetts | 1.6 | 14.4 | 5.9 | 5.6 | 1.0 | 10.0 | 15.4 |
| Rhode Island | .0 | 10.8 | 5.9 | 6.5 | 3.6 | 11.8 | 15.0 |
| Connecticut | 1.5 | 19.2 | 4.4 | 4.8 | .7 | 6.7 | 10.1 |
| New England | 3.6 | 29.1 | 13.6 | 14.5 | .5 | 19.7 | 22.5 |
| New York | 4.6 | 27.2 | 8.0 | 10.5 | .8 | 9.8 | 17.0 |
| New Jersey | 3.6 | 26.9 | 7.8 | 7.7 | .8 | 10.0 | 15.2 |
| Pennsylvania | 6.1 | 32.0 | 8.4 | 12.8 | .0 | 9.0 | 10.7 |
| Middle Atlantic | 5.1 | 29.0 | 8.1 | 10.9 | .3 | 9.5 | 14.7 |
| Ohio | .9 | 29.6 | 4.9 | 4.3 | 4.5 | 7.2 | 5.7 |
| Indiana | 1.5 | 35.5 | 5.2 | 3.4 | 2.2 | 5.3 | 3.9 |
| Illinois | 2.9 | 46.1 | 10.2 | 5.1 | .1 | 6.8 | 6.9 |
| Michigan | 7.4 | 50.6 | 10.3 | 10.0 | .0 | 13.2 | 12.2 |
| Wisconsin | 7.8 | 51.5 | 19.4 | 18.3 | .1 | 30.9 | 22.9 |
| East North Central | 3.9 | 42.1 | 10.2 | 8.2 | .9 | 14.5 | 11.4 |
| Minnesota | 6.5 | 42.8 | 15.9 | 13.1 | .2 | 25.6 | 17.3 |
| Iowa | 1.2 | 36.0 | 12.3 | 8.2 | .1 | 15.7 | 10.0 |
| Missouri | 12.6 | 45.9 | 20.9 | 9.1 | .1 | 18.6 | 7.3 |
| North Dakota | 9.3 | 67.4 | 72.9 | 58.8 | .0 | 81.3 | 59.4 |
| South Dakota | 3.9 | 65.9 | 42.3 | 26.6 | .0 | 60.2 | 31.3 |
| Nebraska | 2.4 | 36.8 | 33.8 | 34.7 | .1 | 42.9 | 38.6 |
| Kansas | 3.8 | 39.8 | 30.2 | 23.0 | .0 | 36.8 | 27.5 |
| West North Central | 4.2 | 46.0 | 30.5 | 22.9 | .1 | 39.3 | 25.4 |
| Delaware | 3.6 | 36.4 | 1.9 | 7.0 | .0 | 6.9 | 10.9 |
| Maryland | 4.2 | 30.1 | 7.8 | 10.4 | .0 | 10.4 | 12.8 |
| Virginia | 5.1 | 44.4 | 7.4 | 13.5 | .0 | 8.6 | 12.6 |
| West Virginia | 4.8 | 42.3 | 7.7 | 8.5 | .0 | 8.7 | 9.1 |
| North Carolina | 8.3 | 56.6 | 19.1 | 15.2 | 2.4 | 7.8 | 12.9 |
| South Carolina | 20.6 | 57.1 | 31.1 | 31.5 | 5.2 | 19.6 | 34.1 |
| Georgia | 10.2 | 61.5 | 27.3 | 24.1 | 1.9 | 13.4 | 22.4 |
| Florida | 6.4 | 52.9 | 21.0 | 17.1 | .3 | 6.4 | 12.2 |
| South Atlantic | 8.9 | 52.3 | 18.8 | 18.4 | 1.9 | 11.6 | 19.1 |
| Kentucky | 2.0 | 43.9 | 7.9 | 5.9 | 11.7 | 9.0 | 7.0 |
| Tennessee | 1.6 | 40.3 | 10.8 | 4.4 | 5.1 | 10.7 | 4.7 |
| Alabama | 12.7 | 60.8 | 23.4 | 19.0 | .0 | 26.9 | 21.9 |
| Mississippi | 11.9 | 73.8 | 30.3 | 25.4 | .0 | 28.7 | 29.7 |
| East South Central | 9.1 | 58.9 | 19.3 | 15.0 | 3.9 | 18.6 | 16.5 |
| Arkansas | 3.3 | 67.2 | 33.8 | 5.9 | .0 | 16.6 | 4.3 |
| Louisiana | 11.5 | 69.0 | 25.3 | 24.9 | .0 | 25.4 | 27.8 |
| Oklahoma | 6.9 | 39.5 | 23.9 | 11.6 | .0 | 25.6 | 13.8 |
| Texas | .7 | 42.2 | 20.2 | 15.5 | .0 | 14.8 | 14.4 |
| West South Central | 3.2 | 49.0 | 22.6 | 14.9 | .0 | 18.4 | 14.3 |
| Montana | 9.3 | 61.5 | 40.5 | 22.7 | .0 | 53.1 | 19.0 |
| Idaho | 6.7 | 55.5 | 16.0 | 13.5 | .0 | 20.8 | 17.3 |
| Wyoming | 3.0 | 43.4 | 25.2 | 16.8 | 1.3 | 36.6 | 19.9 |
| Colorado | 5.6 | 55.0 | 34.5 | 20.3 | .0 | 30.1 | 21.3 |
| New Mexico | 5.2 | 36.1 | 21.2 | 10.1 | .0 | 16.8 | 12.2 |
| Arizona | 1.9 | 61.5 | 21.0 | 17.9 | .6 | 11.7 | 19.2 |
| Utah | 4.1 | 70.0 | 29.4 | 22.2 | 1.5 | 23.8 | 28.9 |
| Nevada | 2.0 | 56.1 | 26.5 | 12.5 | .0 | 12.0 | 8.3 |
| Mountain | 5.9 | 55.5 | 27.5 | 17.7 | .4 | 31.1 | 19.9 |
| Washington | 6.8 | 46.4 | 15.8 | 9.4 | .4 | 19.5 | 11.5 |
| Oregon | 6.4 | 49.6 | 15.1 | 10.8 | .0 | 16.7 | 12.1 |
| California | 1.4 | 40.0 | 7.5 | 10.3 | .5 | 11.3 | 11.7 |
| Pacific | 5.1 | 44.9 | 11.7 | 10.1 | .4 | 13.7 | 11.7 |
| UNITED STATES | 5.5 | 48.5 | 20.6 | 15.8 | 1.0 | 23.1 | 17.8 |

1/ Includes all loans with unpaid matured installments even though such installments may have been extended or deferred.

Farm Credit Administration.

Table 29.- Farm-debt adjustment activities, by States, September 1, 1935 through June 30, 1942

| State and division | Individual cases adjusted | Indebtedness: Prior to adjustment | Indebtedness: After adjustment | Indebtedness: Percentage reduction | Taxes paid 1/ |
|---|---|---|---|---|---|
| | Number | 1,000 dollars | 1,000 dollars | Percent | 1,000 dollars |
| Maine | 1,976 | 9,857 | 7,909 | 19.8 | 62 |
| New Hampshire | 272 | 1,042 | 900 | 13.6 | 16 |
| Vermont | 481 | 2,425 | 1,917 | 21.0 | 24 |
| Massachusetts | 834 | 5,852 | 5,411 | 7.5 | 80 |
| Rhode Island | 118 | 620 | 609 | 1.7 | 3 |
| Connecticut | 578 | 4,664 | 4,128 | 11.5 | 57 |
| New England | 4,259 | 24,460 | 20,874 | 14.7 | 242 |
| New York | 2,654 | 13,353 | 11,337 | 15.1 | 87 |
| New Jersey | 655 | 4,101 | 3,499 | 14.7 | 49 |
| Pennsylvania | 2,548 | 10,687 | 9,075 | 15.1 | 175 |
| Middle Atlantic | 5,857 | 28,141 | 23,911 | 15.0 | 311 |
| Ohio | 6,321 | 11,257 | 9,920 | 11.9 | 92 |
| Indiana | 4,902 | 11,477 | 10,009 | 12.8 | 90 |
| Illinois | 4,490 | 18,602 | 14,074 | 24.3 | 125 |
| Michigan | 2,126 | 4,423 | 3,518 | 20.5 | 47 |
| Wisconsin | 2,875 | 10,651 | 7,242 | 32.0 | 80 |
| East North Central | 20,714 | 56,410 | 44,763 | 20.7 | 434 |
| Minnesota | 4,172 | 14,569 | 10,683 | 26.7 | 131 |
| Iowa | 7,659 | 47,035 | 38,216 | 18.8 | 308 |
| Missouri | 7,958 | 13,917 | 10,948 | 21.3 | 34 |
| North Dakota | 3,848 | 20,740 | 15,992 | 22.9 | 383 |
| South Dakota | 8,280 | 26,987 | 15,509 | 42.5 | 635 |
| Nebraska | 8,293 | 25,988 | 19,456 | 25.1 | 297 |
| Kansas | 6,560 | 20,640 | 14,621 | 29.2 | 154 |
| West North Central | 46,770 | 169,876 | 125,425 | 26.2 | 1,949 |
| Delaware | 281 | 856 | 666 | 22.2 | 4 |
| Maryland | 1,032 | 5,545 | 4,305 | 22.4 | 49 |
| Virginia | 1,976 | 4,803 | 3,631 | 24.4 | 28 |
| West Virginia | 1,767 | 4,972 | 4,001 | 19.5 | 69 |
| North Carolina | 4,093 | 5,945 | 4,805 | 19.2 | 111 |
| South Carolina | 3,463 | 3,131 | 2,532 | 19.1 | 48 |
| Georgia | 5,438 | 6,870 | 5,784 | 15.8 | 91 |
| Florida | 2,759 | 5,514 | 4,658 | 15.5 | 122 |
| South Atlantic | 20,809 | 37,636 | 30,382 | 19.3 | 522 |
| Kentucky | 2,151 | 6,445 | 5,300 | 17.8 | 29 |
| Tennessee | 2,370 | 4,624 | 4,166 | 9.9 | 80 |
| Alabama | 8,606 | 6,464 | 4,974 | 23.0 | 25 |
| Mississippi | 7,272 | 8,544 | 7,232 | 15.4 | 123 |
| East South Central | 20,399 | 26,077 | 21,672 | 16.9 | 257 |
| Arkansas | 9,023 | 10,812 | 8,214 | 24.0 | 174 |
| Louisiana | 7,836 | 9,130 | 6,789 | 25.6 | 121 |
| Oklahoma | 8,401 | 20,041 | 16,178 | 19.3 | 306 |
| Texas | 16,369 | 42,337 | 33,987 | 19.7 | 610 |
| West South Central | 41,629 | 82,320 | 65,168 | 20.8 | 1,211 |
| Montana | 1,994 | 5,267 | 3,983 | 24.4 | 80 |
| Idaho | 2,535 | 9,214 | 7,344 | 20.3 | 105 |
| Wyoming | 2,034 | 8,420 | 6,056 | 28.1 | 74 |
| Colorado | 3,336 | 6,902 | 4,976 | 27.9 | 88 |
| New Mexico | 2,191 | 3,297 | 2,504 | 24.0 | 34 |
| Arizona | 1,016 | 2,202 | 2,034 | 7.7 | 26 |
| Utah | 1,277 | 5,449 | 4,778 | 12.3 | 80 |
| Nevada | 93 | 609 | 495 | 18.7 | 8 |
| Mountain | 14,476 | 41,360 | 32,170 | 22.2 | 495 |
| Washington | 2,535 | 11,261 | 8,324 | 26.1 | 52 |
| Oregon | 1,543 | 7,238 | 6,159 | 14.9 | 107 |
| California | 2,600 | 16,066 | 14,063 | 12.5 | 93 |
| Pacific | 6,678 | 34,565 | 28,546 | 17.4 | 252 |
| UNITED STATES | 181,591 | 500,845 | 392,911 | 21.6 | 5,666 |
| Hawaii | 6 | 12 | 4 | 63.7 | 0 |

1/ Included in indebtedness prior to adjustment. Usually paid from proceeds of loans which are included in indebtedness after adjustment.

Farm Security Administration.

Table 30.- Index numbers of demand deposits of country banks, for selected States, 1929-42 1/
(1924-29 = 100)

| Year and month | Twenty leading agricultural States 2/ | | Seven Corn Belt States 3/ | Eight cotton-growing States 4/ | Eight range States 5/ |
|---|---|---|---|---|---|
| | Unadjusted | Adjusted for seasonal variations | | | |
| 1929 | 99.0 | | 97.2 | 93.0 | 103.6 |
| 1930 | 89.4 | | 90.7 | 77.2 | 91.3 |
| 1931 | 75.4 | | 78.1 | 59.6 | 76.2 |
| 1932 | 57.3 | | 59.6 | 41.8 | 54.7 |
| 1933 | 48.6 | | 48.8 | 41.4 | 46.8 |
| 1934 | 66.0 | | 70.7 | 59.1 | 63.9 |
| 1935 | 6/ | | 6/ | 6/ | 6/ |
| 1936 | 97.6 | | 106.9 | 94.7 | 101.3 |
| 1937 | 105.7 | | 115.4 | 105.0 | 110.4 |
| 1938 | 102.7 | | 112.4 | 93.3 | 106.4 |
| 1939 | 110.3 | | 122.1 | 108.9 | 114.9 |
| 1940 | 121.1 | | 135.6 | 115.2 | 125.0 |
| 1941 | 144.1 | | 161.8 | 139.6 | 141.0 |
| 1941: | | | | | |
| August | 144.3 | 148.0 | 163.4 | 133.9 | 135.2 |
| September | 151.0 | 151.6 | 170.4 | 143.2 | 142.3 |
| October | 156.4 | 153.5 | 174.2 | 155.1 | 153.4 |
| November | 160.9 | 157.6 | 178.0 | 162.5 | 163.5 |
| December | 164.7 | 162.4 | 183.3 | 167.2 | 169.2 |
| 1942: | | | | | |
| January | 168.8 | 165.8 | 190.2 | 168.9 | 160.7 |
| February | 169.9 | 167.6 | 191.9 | 169.5 | 158.6 |
| March | 170.9 | 169.4 | 192.9 | 171.0 | 157.0 |
| April | 171.7 | 171.9 | 197.0 | 172.0 | 157.2 |
| May | 173.0 | 175.5 | 198.3 | 172.4 | 159.7 |
| June | 176.2 | 180.5 | 203.1 | 173.0 | 161.5 |
| July | 182.5 | 187.6 | 209.2 | 177.7 | 165.2 |
| August | 196.5 | 191.6 | 218.3 | 187.8 | 173.7 |

1/ Member banks of the Federal Reserve System located in places of less than 15,000 population. Each State weighted according to cash farm income during base period. Annual figures are simple averages of monthly indexes.
2/ Ark., Ga., Ill., Ind., Iowa, Kans., Mich., Minn., Miss., Mo., Nebr., N. Y., N. C., N. Dak., Ohio, Okla., Pa., S. Dak., Texas, and Wisc.
3/ Ill., Ind., Iowa, Minn., Mo., Nebr., and Ohio.
4/ Ala., Ark., Ga., La., Miss., N. C., Okla., and S. C.
5/ Ariz., Colo., Idaho, Mont., Nev., N. Mex., Utah, and Wyo.
6/ Five months in 1935 are unavailable.

Table 31.- Cash farm income, and indexes of prices paid by farmers, prices received by farmers, and rural retail sales, 1929-42

| Year and month | Cash farm income 1/ | Prices paid by farmers (1910-14 = 100) | Prices received by farmers (Aug. 1909-July 1914 = 100) | Rural retail sales 2/ (1929-31 = 100) |
|---|---|---|---|---|
| | Million dollars | Percent | Percent | Percent |
| 1929 | 3/ 11,296 | 3/ 154 | 146 | 125 |
| 1930 | 3/ 9,021 | 3/ 146 | 126 | 99 |
| 1931 | 3/ 6,371 | 3/ 126 | 87 | 78 |
| 1932 | 3/ 4,743 | 3/ 108 | 65 | 63 |
| 1933 | 3/ 5,445 | 3/ 108 | 70 | 68 |
| 1934 | 3/ 6,780 | 3/ 122 | 90 | 84 |
| 1935 | 3/ 7,659 | 125 | 108 | 99 |
| 1936 | 3/ 8,654 | 124 | 114 | 115 |
| 1937 | 3/ 9,217 | 3/ 131 | 121 | 122 |
| 1938 | 3/ 8,168 | 3/ 123 | 95 | 114 |
| 1939 | 3/ 8,684 | 121 | 3/ 92 | 127 |
| 1940 | 4/ 9,145 | 3/ 122 | 98 | 134 |
| 1941 | 4/ 11,830 | 131 | 122 | 169 |
| 1941: | | | | |
| September | 3/ 1,326 | 3/ 136 | 139 | 174 |
| October | 1,485 | 139 | 139 | 167 |
| November | 1,301 | 141 | 135 | 167 |
| December | 1,235 | 142 | 143 | 180 |
| 1942: | | | | |
| January | 1,116 | 146 | 149 | 193 |
| February | 912 | 147 | 145 | 187 |
| March | 982 | 150 | 146 | 211 |
| April | 1,063 | 151 | 150 | 191 |
| May | 1,030 | 152 | 152 | 180 |
| June | 1,112 | 152 | 151 | 176 |
| July | 1,249 | 152 | 154 | 188 |
| August | 1,435 | 152 | 163 | 197 |
| September | 1,753 | 153 | 163 | 203 |

1/ Includes Government payments beginning with 1933.
2/ Adjusted for seasonal variations. Department of Commerce.
3/ Revised.
4/ Preliminary.

Table 32.- Interest rates charged on new loans and discounts by institutions under the supervision of the Farm Credit Administration, December 31, 1933-41

| Item | 1933 | 1934 | 1935 | 1936 | 1937 | 1938 | 1939 | 1940 | 1941 |
|---|---|---|---|---|---|---|---|---|---|
| | Percent | Percent | Percent | Percent | Percent | Percent | Percent | Percent | Percent |
| Federal land banks: | | | | | | | | | |
| National farm loan associations: | | | | | | | | | |
| Contract rate ........................... | 5 | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Reduced rate 1/ ........................... | 4½ | 4½ | 3½ | 3½ | 3½ | 3½ | 3½ | 3½ | 3½ |
| Direct (including loans made in Puerto Rico): | | | | | | | | | |
| Contract rate ........................... | 5½ | 5½ | 4½ | 4½ | 4½ | 4½ | 4½ | 4½ | 4½ |
| Reduced rate 1/ ........................... | 5 | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Land Bank Commissioner: | | | | | | | | | |
| Contract rate ........................... | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Reduced rate 1/ ........................... | - | - | - | - | 4 | 4 | 4 | 3½ | 3½ |
| Production credit associations 2/ ............... | 6 | 5 | 5 | 5 | 5 | 5 | 4½ | 4½ | 4½ |
| Federal intermediate credit banks 2/ ............ | 3/ 3 | 2 | 2 | 2 | 2 | 2 | 1½ | 1½ | 1½ |
| Banks for cooperatives: 2/ | | | | | | | | | |
| Commodity loans ........................... | - | - | 2 | 2 | 2 | 2 | 1½ | 1½ | 1½ |
| Operating capital loans ..................... | 4 | 3 | 3 | 3 | 3 | 3 | 2½ | 2½ | 2½ |
| Facility loans ........................... | 4½ | 4½ | 4 | 4 | 4 | 4 | 4 | 4 | 3½ |
| Emergency crop and feed loans ................ | 5½ | 5½ | 5½ | 5½ | 4 | 4 | 4 | 4 | 4 |
| Drought-relief loans (1934-35) ................ | - | 5½ | 5½ | - | - | - | - | - | - |
| Regional agricultural credit corporations ....... | 6½ | 6½ | 6½ | 6½ | 6½ | 6½ | 6½ | 5½ | 5½ |
| Agricultural Marketing Act revolving fund: | | | | | | | | | |
| Operating capital loans ..................... | 4 | 3 | 3 | 3 | 3 | 3 | 2½ | 2½ | 2½ |
| Facility loans ........................... | 4½ | 4½ | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Joint stock land bank liquidation fund .......... | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |

1/ Temporarily reduced rates to borrowers on Federal land bank and Land Bank Commissioner loans have been in effect since July 7, 1933 and July 22, 1937, respectively. Under existing legislation, the reduced rates to borrowers will continue until July 1, 1944.
2/ Interest rate in Puerto Rico, one-half of 1 percent higher.
3/ One bank charged 2½ percent interest on this date; the rate was increased to 3 percent on January 15, 1934.

NOTE: The interest rate on mortgage loans made by joint stock land banks varies from 4 percent to 6 percent per annum, the latter rate being the maximum allowed by law. The interest rate on loans made by Federal credit unions may not exceed 1 percent per month.

Farm Credit Administration.

Table 33.- Bond rates and yields and money rates, 1930-42

| Year | Federal land bank bonds 1/ | | Federal Farm Mortgage Corporation bonds 1/ | | Federal intermediate credit bank debenture rates 1/ 5/ | United States Government bond yields 6/ 7/ | Industrial bond yields 8/ | Rates on prime commercial paper (4-6 months) 6/ 9/ | Federal reserve bank discount rates, New York 6/ |
|---|---|---|---|---|---|---|---|---|---|
| | Rates 2/ | Yields 3/ | Rates 2/ | Yields 4/ | | | | | |
| | Percent | Percent | Percent | Percent | Percent | Percent | Percent | Percent | Percent |
| 1930 ........ | 4.53 | 4.58 | | | 3.39 | 3.29 | 5.25 | 10/ 3.59 | 10/ 2 -4½ |
| 1931 ........ | 4.52 | 5.13 | | | 3.21 | 3.34 | 10/ 6.08 | 2.63 | 1½-3½ |
| 1932 ........ | 4.53 | 5.32 | | | 3.35 | 3.68 | 6.71 | 2.73 | 2½-3½ |
| 1933 ........ | 4.45 | 5.18 | | | 2.55 | 3.31 | 10/ 5.34 | 1.72 | 2 -3½ |
| 1934 ........ | 4.24 | 4.17 | 2.99 | 3.11 | 1.83 | 3.12 | 4.52 | 10/ 1.02 | 1½-2 |
| 1935 ........ | 3.86 | 3.13 | 2.87 | 2.77 | 1.50 | 2.79 | 4.02 | .76 | 1½ |
| 1936 ........ | 3.60 | 2.81 | 2.87 | 2.42 | 1.50 | 2.65 | 3.50 | .75 | 1½ |
| 1937 ........ | 3.54 | 2.75 | 2.87 | 2.42 | 1.50 | 2.68 | 3.55 | .95 | 1 -1½ |
| 1938 ........ | 3.53 | 2.37 | 2.88 | 1.75 | 1.24 | 2.56 | 3.50 | .81 | 1 |
| 1939 ........ | 3.53 | 1.90 | 2.98 | 1.07 | .88 | 2.36 | 3.30 | .59 | 1 |
| 1940 ........ | 3.53 | 1.70 | 3.00 | .59 | .75 | 2.21 | 3.10 | .56 | 1 |
| 1941 ........ | 3.53 | 11/ | 3.00 | 12/ .70 | .70 | 1.95 | 2.95 | .54 | 1 |
| Jan.-March | 3.53 | 1.28 | 3.00 | 12/ .78 | .75 | 2.03 | 2.99 | .56 | 1 |
| Apr.-June . | 3.53 | 11/ | 3.00 | 12/ .68 | .75 | 1.93 | 3.01 | .56 | 1 |
| July-Sept.. | 3.53 | 11/ | 3.00 | 12/ .52 | .63 | 1.93 | 2.89 | .50 | 1 |
| Oct.-Dec... | 3.53 | 11/ | 3.00 | 12/ .83 | .65 | 1.90 | 2.88 | .52 | 1 |
| 1942: | | | | | | | | | |
| Jan.-March | 3.53 | 11/ | 13/ 2.55 | 12/ .91 | .85 | 2.03 | 2.98 | .61 | 1 |
| Apr.-June . | 3.53 | 11/ | 13/ 2.58 | .89 | .71 | 1.97 | 2.97 | .65 | 1 |

1/ Farm Credit Administration.
2/ Based on bonds outstanding at end of each year or quarter.
3/ Average of daily yields on asked prices of all long-term issues, except those callable in 5 years or less.
4/ Average of daily yields on all outstanding issues with a minimum original term of 7 years or more.
5/ Based on debentures issued during each year or quarter.
6/ Board of Governors of the Federal Reserve System.
7/ Average of daily yields on all outstanding partially tax-exempt issues due or callable in more than 12 years.
8/ Moody's Investors Service.
9/ Prevailing open-market rates in New York City.
10/ Revised.
11/ After May 1, 1941 all bonds were callable in 5 years or less.
12/ Excludes two issues quoted on a negative yield basis.
13/ Includes some 1-percent bonds held by United States Treasury.

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